United States Court of Appeals for the District of Columbia Circuit



TRANSCRIPT OF RECORD

COURT OF APPEALS OF THE DISTRICT OF COLUMBIA.

APRIL TERM, 1902.

No. 1212.

THE WASHINGTON NATIONAL BUILDING AND LOAN ASSOCIATION OF WASHINGTON, D. C. (A BODY CORPORATE), APPELLANT,

US.

BERTHA L. FISKE AND JOSEPH H. FISKE, HER HUSBAND.

APPEAL FROM THE SUPREME COURT OF THE DISTRICT OF COLUMBIA.

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In the Court of Appeals of the District of Columbia.

The Washington National Building and Loan Association of Washington, D. C. (a Body Corporate), Appellant,

vs.

BERTHA L. FISKE ET AL.

a Supreme Court of the District of Columbia.

BERTHA L. FISKE and JOSEPH H. FISKE, Her Husband, Complainants,

THE WASHINGTON NATIONAL BUILDING and Loan Association of Washington, D. C. (a Body Corporate), Defendant.

No. 22370. In Equity.

United States of America, ss:

Be it remembered that in the supreme court of the District of Columbia, at the city of Washington, in said District, at the times hereinafter mentioned, the following papers were filed and proceedings had in the above-entitled cause, to wit:

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Bill of Complaint, &c.

Filed June 14, 1901.

In the Supreme Court of the District of Columbia.

BERTHA L. FISKE and JOSEPH H. FISKE, Her Husband, Complainants,

THE WASHINGTON NATIONAL BUILDING AND Loan Association of Washington, D. C. (a Body Corporate), Defendant.

Equity. No. 22370.

Your complainants, Bertha L. Fiske and Joseph H. Fiske, her husband, respectfully represent:

1. That your complainants are residents of the city of Washington, District of Columbia, and are citizens of the United States.

2. That the defendant, The Washington National Building and Loan Association of Washington, D. C., is a corporation duly incorporated under the laws of the State of Virginia and does business in 1—1212A

the city of Washington, District of Columbia, and has its principal and business office in the said city and District aforesaid, and all books of account, records, and all other data having reference to the business of said corporation are at the said Washington, D. C., office.

3. That heretofore, to wit, on the first day of October, A. D. 1898; your complainant Bertha L. Fiske was the owner and possessor in fee-simple of a certain tract of land situate in Montgomery county,

State of Maryland, known and described as follows:

"Part of a tract of land called 'The Girls' Portion,' begin-2 ning for the same at a stone planted at the northwest corner of William Thompson's land on Burnt Mills road, then south twenty-six and one-half \circ (26½°) west fifty and ninety-five one-hundredths (50.95) perches, more or less, along the Burnt Mills road to the south line of Washington and Brookville turnpike; thence south thirty-eight° (38°) east twenty (20) perches, along said turnpike to the north line of William Thompson's land; thence along said line north forty-four (44°) east fifty and eleven-one-hundredths (50.11) perches, more or less, to the west line of said Thompson's land; thence along said line to the place of beginning; containing six (6) acres of land more or less, excepting, however, one-half $(\frac{1}{2})$ an acre conveyed to the board of county school commissioners of Montgomery county, by deed dated July 31st, 1885 and recorded among the land records of said county in Liber E. B. P. No. 36, folio 93 etc. Also excepting the right of way conveyed to the Washington, Woodside and Forest Glen Railway and Power Company by deed dated June 11th, 1897 and recorded among said land records in Liber J. A. No. 60 folio 282 etc."

4. That on said first day of October, A. D. 1898, your petitioners, Bertha L. Fiske and Joseph H. Fiske, her husband, executed a mortgage on said property to the said defendant, The Washington National Building and Loan Association of Washington, D. C.; that the consideration for said mortgage was the sum of three thousand dollars (\$3,000), to be paid in accordance with the terms and con-

ditions of the said mortgage and according to the by-laws and regulations of the said defendant association, a copy of which mortgage and which by-laws are herewith attached and

marked respectively "Exhibit A" and "Exhibit B."

5. That said mortgage was executed by said Bertha L. Fiske and Joseph H. Fiske on the said first day of October, A. D. 1898, in the city of Washington, District of Columbia, and acknowledged by them and each of them in the said city of Washington, District of Columbia, on the 17th day of October, A. D. 1898, before Clarence E. Latimer, a notary public in and for the District of Columbia, the said Clarence E. Latimer being an employee of the defendant corporation, and that on the said 17th day of October, A. D. 1898, T. H. Anderson, general counsel, appeared before the said notary in the city of Washington, District of Columbia, and acknowledged that the consideration named in the said mortgage had passed between the parties, and that he was the duly authorized agent to make the

affidavit, and that the transactions incident to and concerning the said mortgage were attended to in the city of Washington, District

of Columbia, by all the parties thereof.

6. That since the execution of the mortgage aforesaid your complainants have paid to the defendant corporation monthly monthly payments from the date of said mortgage, aggregating the sum of nine hundred ninety dollars (\$990), but the said defendant refused to consider said sum of nine hundred ninety dollars (\$990) as applied to the interest and principal of said loan of three thousand dollars (\$3,000), but claims from the defendants a sum largely in excess thereof; that being desirous of repaying to the said defendant the loan of three thousand dollars (\$3,000), with legal interest, to

defendant, your complainants gave the defendant the notice required by its constitution for the repayment of advances and notified said company of their desire to repay said loan, and requested the said defendant to inform them of the amount due under said mortgage, and were informed that up to and including May 5th, 1901, there was still due the amount of two thousand nine hundred twenty-eight dollars and fifty cents (\$2,928.50), despite payment by these complainants of the said sum of nine hundred ninety dollars (\$990), and said defendant was willing that said loan should be repaid, but only by payment of the amount they claimed to be due.

7. That your complainants have advised said defendant that on account of the loan of October first, A. D. 1898, of three thousand dollars (\$3,000), the interest from said date to said May 5th, 1901, would amount to four hundred sixty-seven dollars and fifty cents (\$467.50), making a total of three thousand four hundred sixty-seven dollars and fifty cents (\$3,467.50), and taking therefrom the payment of these complainants of nine hundred ninety dollars (\$990) would leave a balance of two thousand four hundred seventy-seven dollars and fifty cents (\$2,477.50) as the balance of said loan; and that your complainants called at the office of the said The Washington National Building and Loan Association on May 4th and on May 6th, 1901, with their counsel and tendered to the said defendant the said sum of two thousand four hundred seventy-seven dollars and fifty cents (\$2,477.50), but the said The Washington National Building and Loan Association of Washington, D. C., through their secretary, J. C. Stoddard, refused to accept the said legal tender of the sum aforesaid, your com-

plainants informing the said defendants that they believed that the said loan, with the amount tendered, would
be fully paid and satisfied, and that said property ought to
be redeemed and the said mortgage released; but that the said defendant insists that there is still due the sum of two thousand nine
hundred twenty-eight dollars and fifty cents (\$2,528.50), and threatened to foreclose the said mortgage unless the sum aforesaid be
paid, notwithstanding the fact that your complainants have paid
the sum of nine hundred ninety dollars (\$990) and legally tendered
the further sum of two thousand four hundred seventy-seven dollars and fifty cents (\$2,477.50), having prior thereto given legal notice

of their desire to pay off the said incumbrance and their withdrawal from said association, the said sum paid, with the amount tendered,

being the full amount of the loan with legal interest thereto.

Nevertheless these complainants are desirous of having a full accounting before the auditor of this honorable court, so that it may be determined whether or not your complainants, with the amount tendered, will have fully paid the said association the amount due it, or account for any amount still due the said defendant association, which amount your complainants are ready and willing to pay, the said association having threatened, as heretofore stated, to foreclose on said mortgage forthwith.

8. That from the 4th day of May to the date of the filing of this bill of complaint the counsel for the complainants and counsel for the defendant corporation have been in discussion regarding an amicable adjustment of the differences existing between the complainant and the defendant, and from time to time counsel for the defendant

corporation has intimated an intention on the part of the defendant corporation to adjust the said differences, and that the claim of complainant- would be placed before the board of directors of said defendant corporation for their action, but the counsel of the defendant corporation having informed your complainants' counsel of the refusal of the defendant corporation to accept other than the full amount of their claim, your complainanthas no remedy save in this honorable court.

Wherefore, the premises considered, your complainants pray:

1. That a writ of subposena may issue to the defendant, commanding it to appear in this honorable court and answer the exigencies of this bill.

- 2. That this cause be referred to the auditor of this court for the purpose of stating the account between your complainants and the said defendant.
- 3. That upon a report of said auditor stating the exact amount due on said mortgage, the said complainants be permitted to redeem the property from said mortgage, and that said defendant be ordered to release said mortgage upon the payment of the amount found to be due by the said auditor of this honorable court, and this honorable court decree the same to be released upon the payment aforesaid.
- 4. That the said defendant, its agents and attorneys, be enjoined and restrained from foreclosing or attempting to foreclose the said mortgage hereinbefore set forth.

5. That complainants may have such other and further relief as the nature of the case may require.

MRS. BERTHA L. FISKE.

JOSEPH H. FISKE.

WOLF & ROSENBERG, Solicitors for Complainants. DISTRICT OF COLUMBIA, 88:

We, Bertha L. Fiske and Joseph H. Fiske, and each of us, on oath depose and say that we are the petitioners in the foregoing petition by us subscribed, and have read over the same and know the contents thereof; that the matters and things therein stated of our own personal knowledge are true, and those stated upon information and belief we believe to be true.

MRS. BERTHA L, FISKE, JOSEPH H. FISKE.

Subscribed and sworn to before me this 13th day of June, A. D. 1901.

T. BLAIR SHOEMAKER,

[SEAL.]

Notary Public.

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EXHIBIT "A."

Filed June 14, 1901.

At the request of the Washington National Building and Loan Association, Washington, D. C., the following mortgage was recorded October 24, 1898, at 10.30 a. m., to wit:

This mortgage, made this first day of October in the year eighteen hundred and ninety-eight between Bertha L. Fiske and Joseph H. Fiske, her husband, of Montgomery county, Maryland, mortgagors, and the Washington National Building and Loan Association, of Washington, D. C., a body corporate under the laws of the State of Virginia, mortgagee, under and subject to which laws these presents are executed.

Whereas, the said Bertha L. Fiske and Joseph H. Fiske being members of said Washington National Building and Loan Association, of Washington, D. C., and the owner- and holders of thirty (30) shares of half-rate stock of the 67th series of thereof, and as such members sharing and participating in the profits of said body corporate, have received therefrom an advance of three thousand dollars (\$3,000.00) on said thirty (30) shares of stock and for the redemption thereof, in accordance with the charter and by-laws of said body corporate.

And whereas, it has been agreed by and between the mortgagors and mortgagee that the prompt and regular payment of the monthly instalments of dues, interest, premiums and fines, as hereinafter mentioned, and the performance of all the covenants and conditions herein contained, should be secured by a good and effectual mortgage on the property hereinafter described, wherefore this mortgage is executed, the same being a condition precedent to said advance.

Now, therefore, this mortgage witnesseth, that in consideration of the premises and of the sum of one dollar, the receipt of which is hereby acknowledged, the said Bertha L. Fiske and Joseph H. Fiske, do hereby grant and convey unto said body corporate, the Washington National Building and Loan Association, of Washing-

ton, D. C., its successors and assigns, in fee-simple, all that certain piece or parcel of land and premises situate in the county of Montgomery and State of Maryland, which — described, as follows:

Part of a tract of land called "The Girls' Portion" beginning for the same at a stone planted at the northwest corner of William Thompson's land on Burnt Mills road, thence south $26\frac{1}{2}$ ° west fifty and ninety-five one-hundredths (50.95) perches, more or less, along the Burnt Mills road to the south line of Washington and Brookville turnpike; thence south 38° east twenty (20) perches along said turnpike to the north line of William Thompson's land; thence along said line north 44° east fifty and eleven one-hundredths (50.11) perches, more or less, to the west line of said Thompson's land; thence along said line to the place of beginning; containing six (6) acres of fand more or less excepting, however, one-half an acre conveyed to the board of county school commissioners of Montgomery county by deed dated July 31, 1885 and recorded among the land records of said county in Liber E. B. P. No. 36 folios 93 etc. excepting the right of way conveyed to the Washington, Woodside and Forest Glen Railway and Power Company by deed dated June 11, 1897 and recorded among said land records in Liber J. A. No. 60 folios 282 etc. and being the same land to be conveyed to the said Bertha L. Fiske by Harriet A. Johnson, widow, and Margaret S. Reynolds by deed to be recorded in advance of the filing of this instrument together with the buildings and improvements thereon, and all the rights, roads, ways, waters, privileges, appurtenances and advantages thereto belonging or in anywise appertaining.

To have and to hold the same with the improvements and appurtenances aforesaid unto the said body corporate, its successors and

assigns forever.

Provided, that if the said mortgagors shall make the payments and perform each and every covenant herein on their part to be

made and performed, then this mortgage shall be void.

And the said Bertha L. Fiske and Joseph H. Fiske for themselves, their heirs, executors, administrators and assigns hereby covenant with the said mortgagee, its successors and assigns, to pay and perform as follows, that is to say: To pay to the said mortgagee or its assigns, as dues, the sum of thirty cents per share on each and every of said shares of stock, monthly, on or before the last business day of each and every month hereafter, and at the same date interest on said advancement at the rate of fifty cents per share on each and every of said shares of stock monthly, and at the same date a monthly premium of fifty (50) cents per share on each and every of said shares of stock for the first year from the date hereof, and for each year thereafter a monthly premium of ten per cent. (10 %) thereof, less than the year next preceding the same being the premium bid for said advancement.

To pay all ground rent, taxes and assessments of all kinds for which the hereby mortgaged property now is or may hereafter become liable when payable, also all taxes when demandable which may be levied against said property or on the said advancement or

interest hereby secured, and to obey the rules, regulations and bylaws of said association.

To pay all fines and penalties that may be imposed on the said mortgagor and assessed against the said shares of stock by the said association in accordance with its charter and by-laws, which are made a part of this mortgage, for failure to pay each and every of said monthly sums at the time limited, or perform any other obligation required of them hereunder or under said charter and by-laws, and to keep the buildings now erected, or that may hereafter be erected, on said real estate insured against loss or damage by fire for the benefit of said body corporate to at least the amount of eight hundred (\$800) dollars, and in such insurance company as shall be designated or approved by said association or its assigns, and have such policy of insurance so endorsed or assigned that the same shall inure to the benefit of said mortgagee, its successors or assigns, in the event of loss or damage.

All of which payments and covenants shall continue in force, and be made as herein stated until such time as said share of stock be fully matured, and of the value of one hundred (\$100) dollars per share, provided that no payment on account of stock or premium shall be exacted for a longer period than one hundred and forty-four (144) months from the date of said stock. But in the event said share of stock shall fail to mature on or before the expiration of one hundred and forty-four (144) months from the date hereof, then six per cent. on the original amount advanced thereon shall continue and be paid monthly until said stock shall mature, when all payments shall cease and the mortgage securing this ad-

vancement be cancelled.

And it is agreed that until default be made in the premises, the said mortgagers may use and occupy the hereby mortgaged

property.

But if default be made in the payment of any of the said monthly sums of money and continue for the space of three months, or in the performance of the covenants or conditions herein mentioned on the part of the said mortgagor- or either of them, then the whole amount of said advancement made hereunder, together with all interest, premium and fines that have accrued or may accrue up to the day of the sale, subject to all proper credits hereunder, shall be deemed due and demandable and these presents shall be deemed to be in trust, and the said mortgagee, its successors or assigns, or T. H. Anderson its authorized attorney, is hereby empowered to sell the hereby mortgaged property at public auction, and convey the same to the purchaser or purchasers thereof, free, clear and discharged of and from all claims either in law or equity, of the parties to these presents, which sale shall be made upon giving at least twenty days' previous notice of the time, place, manner and terms of sale by advertisement in some newspaper published in Montgomery county, State of Maryland, and which terms shall be such as the party making the sale shall elect, and the proceeds of such sale shall be applied, first, to the payment of all expenses of the sale, including all attorneys' or solicitors' fees to the said attorney or solicitor or other party making the sale, and the commissions usually allowed trustees under a decree of a court of equity; secondly, to the payment of all taxes or other public dues charged against said property or advancement to the day of sale; then, to the payment of all claims and demands of said mortgagee hereunder, whether then matured or not, up to the ratification of the sale, and the balance to be paid to the said mortgagors or whosoever may be entitled to the same.

Witness the hands and seals of the mortgagors.

BERTHA L. FISKE. [SEAL.]
JOSEPH H. FISKE. [SEAL.]

Test: C. E. LATIMER.

(Int. rev., \$1.25.)

DISTRICT OF COLUMBIA, sct:

I hereby certify that on this seventeenth (17) day of October, in the year eighteen hundred and ninety-eight, before me, a notary public of the District of Columbia, in and for the said District of Columbia, personally appeared Bertha L. Fiske and Joseph H. Fiske, her husband, and acknowledged the foregoing mortgage to be their act.

Witness my hand and official seal.

SEAL.

CLARENCE E. LATIMER,

Notary Public.

DISTRICT OF COLUMBIA, To wit:

I hereby certify that on this seventeenth (17) day of October, in the year 1898, before me, a notary public in and for the said District of Columbia, personally appeared T. H. Anderson, general counsel and the agent of the mortgagee, and made oath in due form of law that the consideration named in said foregoing mortgage is true and bona fide as therein set forth, and that he is the agent duly authorized to make this affidavit, and also made oath on the Holy Evangely of Almighty God that he has not, nor has said mortgagee, required the mortgagor, his agent or attorney, or any person for the said mortgagor, to pay the tax levied upon the interest covenanted to be paid in advance, nor will he or it require the same to be paid by the mortgagor or any person for him during the existence of this mortgage.

Witness my hand and official seal.

[SEAL.]

CLARENCE E. LATIMER,

Notary Public.

STATE OF MARYLAND,

Montgomery County, To wit:

I hereby certify that the foregoing is truly taken and copied from Liber T. D. No. 5, folios 289 et seq., one of the land record books of said Montgomery county.

In testimony whereof I hereto set my hand and affix the seal of the circuit court for said Montgomery county this 9th day of May, A. D. 1901.

THOMAS DAWSON,

Clerk of the Circuit Court for Montgomery Co., Md.

[Endorsed:] Copy. Mortgage from Bertha L. Fiske et vir to Washington National Building and Loan Association of Washington, D. C. Copy. T. H. Anderson, general counsel, Washington, D. C.

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"Ехнівіт В."

Filed June 14, 1901.

By-laws of the Washington National Building and Loan Association of Washington, D. C.

As amended at a meeting of stockholders held at Alexandria, Va., January 19, 1898.

By-laws.

The object of this association is to enable its members to accumulate in an easy way, by contributing small object.

Object. amounts monthly, the capital necessary to secure homes, to establish themselves in business, or to deposit their savings securely and at a good rate of profit.

ARTICLE I.

Name.

The name of this association shall be "Washington National Building and Loan Association of Washington, D. C."

ARTICLE II.

Any person in possession of one or more shares who, by signing the by-laws or application for stock, has obliqualification of gated himself or herself to strictly obey the rules and regulations of the association, shall be considered a member.

ARTICLE III.

A director must at all times have not fewer than 100 shares nor less than \$2,000 cash invested in unpledged Qualification of stock in this association. If at any time the directors.

amount any director has so invested is less than the above sum of money and number of shares, he shall be required to increase it to the necessary amount. Upon failure to so increase it, the directors shall declare his place vacant and elect another to the vacancy.

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ARTICLE IV.

Section 1. The first annual meeting of the stockholders after organization shall be held on the third Tuesday of April, 1894, and thereafter the annual meet-

ings shall be held on the day after the third

Tuesday of January of each and every year, for the general transaction of the business of this corporation, at which time the board of directors shall submit a report of their proceedings for the preceding year and a statement of the condition of the association.

SEC. 2. The stated monthly meetings of the directors shall be held on the third Tuesday of each month for the purpose of receiving the monthly dues, interest and fines, and to make advances of the funds of the association, and for the transaction of such other business as may be necessary. The board of directors shall have the power to appoint other days, if necessary, when dues, interest and fines may be received and advances made. The stated monthly meetings shall be held at the Washington office of the association. Instalment payments may be made at the office of the association at any time on or before the last business day of each month.

SEC. 3. Special or general meetings of the stockholders shall be convened by the president of the association, or by a majority of the executive committee, or at the written request of a majority of the directors. Notice of such meeting shall state the time, place and object thereof: *Provided*, That no business shall be transacted ex-

cept that for which the meeting is called.

SEC. 4. Notice of the annual and special or general meetings of the stockholders shall be published according to law, and notice of the same shall be mailed to the treasurer of every branch association at least ten days before the date of said meeting.

ARTICLE V.

Officers and Their Duties.

Section 1. The board of directors of this association shall consist of not less than seven nor more than nine members, who shall be elected by the stockholders at their annual meeting in January, and shall serve for one year, or until their successors in office are elected and qualified. A majority of the board of directors shall

constitute a quorum for the transaction of business.

SEC. 2. The board of directors shall elect a president, vice-president, secretary, treasurer, general manager and general counsel, to hold their offices for one year or until their successors are elected and qualified. The directors may also appoint such agents or employés, as, in their judgment, may be deemed necessary to transact the business of the association, paying said officers and employés out of the expense fund.

SEC. 3. The board of directors shall have the power to fill vacancies that may occur in their body and for sufficient cause may re-

move the officers or employés and appoint their successors.

SEC. 4. The president may call a special meeting of the directors

when he may deem it necessary, upon giving reasonable notice; and it shall be his duty to call a special meeting when an application in writing, signed by three directors, shall be made to him,

stating the reasons of such call in the same notice.

SEC. 5. The directors shall have general supervision, direction and management of the affairs of the association, and declare the duties of the officers. They shall audit the accounts of the secretary and treasurer semi-annually, and officially approve the same, if correct.

SEC. 6. For the purpose of obtaining a successful business management, the board of directors may pay any person or persons with whom it contracts, or the agent or agents whom it appoints, such portion of what it is known as the expense fund as is deemed best: *Provided*, That all salaries and all expenses of said corporation, aside from insurance and taxes on property on which advances are outstanding, shall be wholly paid from said expense fund; and the person so contracted with, or the agents so employed, must rely solely for their compensation upon the balance remaining after paying such expenses; and no part of the loan fund can be used for such expenses, compensation or salaries.

SEC. 7. The board of directors shall appoint five of their number

Executive comto act as an executive committee, with power to elect one of their number as chairman. The duties of the executive committee shall be to

advise with the officers between the regular meetings of the board. They shall also act as a committee on advances, and shall examine into and pass upon all applications therefor, investigate the security offered, accept or reject the same, and transact such other business of the association as may be authorized by the board of directors. They shall report to the regular meetings of the board of directors monthly, and at such other times as may be required by the board of directors.

SEC. 8. The board of directors shall appoint one or more banks, trust companies, or State officials to act as trustrustees.

Trustees. tees, who shall hold in trust the mortgages and

other securities belonging to the association on such terms as may be arranged by the directors, and said mortgages and other securities cannot be withdrawn from said trustees for any cause whatever, except to return to the mortgagor upon payment of same, or for the purpose of redepositing with other trustees. When mortgages are withdrawn, it must be only on an order signed by the president, treasurer, and general manager, and such order must state for what purpose such mortgages are withdrawn. If a vacancy occurs in the trusteeships another shall be appointed by the board of directors and the property held by the former trustee shall be transferred to the new trustee.

SEC. 9. The president shall preside at all the meetings of the stockholders and directors. He shall sign all certificates of stock, certificates of authority to agents, and all checks and vouchers of the asso-

ciation, and shall perform all other duties appertaining to the office. In the absence of the president, the vice-president shall act in his place.

SEC. 10. The secretary shall have charge of the books and seal of the association, and shall keep accounts with

Secretary. all members and employés. All moneys, drafts,

checks, money orders, and other remittances received by the association, shall be deposited by the secretary with the treasurer daily and proper receipts taken therefor. He shall make a report to the board of directors monthly, or whenever required by the board of directors, showing receipts and disbursements for the preceding month, and present vouchers properly signed for all moneys expended. He shall issue the association check, when directed by the board of directors, signed by himself and countersigned by the president or some person to be designated by him or the board of directors in payment of vouchers or warrants. He shall keep the minutes of all meetings, and shall assist in preparing a statement semi-annually, showing the financial condition of the association, and furnish a copy thereof to every branch. He shall sign all stock certificates given to the stockholders. He shall give bond with such security as the board of directors may require from time to time.

Sec. 11. The treasurer shall receive from the secretary daily all moneys, drafts, checks, money orders, and other

Treasurer. remittances of or for the association, and give

his receipt for the same and daily deposit the same in the bank or depository designated by the board of directors, and the treasurer shall pay all checks duly drawn. He shall keep a correct account of all moneys received and paid out in a book to be provided for that purpose, which shall at all times be subject to the call and inspection of the board of directors. He shall make a report of the transactions of the month, as well as the actual state of the finances of the association, at each regular meeting. He shall give satisfactory security for the faithful performance of his duties in such amount as the board of directors may require from time to time.

SEC. 12. The general counsel shall examine all title papers and make a thorough inspection of titles to prop-

General counsel. erty offered this association as security for money advanced or otherwise, and certify the result of the same in writing. He shall prepare or cause to be prepared under his direction, all bonds and mortgages and other legal papers to be taken by the association. He shall advise the officers and directors upon all legal questions that may arise, and act as counsel in prosecuting and defending any lawsuit or foreclosure proceedings in which the association may engage.

SEC. 13. The general manager shall have charge of the agents,

ger. special agents, and general agents, and shall direct their movements, appoint or remove them. He shall also have entire supervision of the mail and correspondence of the association.

No contracts with agents, beyond commission contracts, shall be made, except upon approval of the board of directors. The general manager shall countersign all certificates of authority issued to agents, and direct the preparation of such printed matter as may be necessary from time to time. He shall perform such special duties in the field as may be assigned him by the board of directors. shall be his duty to exercise a general supervision over all the business of the association, make settlement with agents and employés in the field, and pass upon the expense accounts of special agents, subject to the approval of the board of directors. He shall select all agents outside of the general office, subject to the approval of the board of directors, allowing them such commission or compensation as the board of directors may authorize. It shall also be his duty to visit any or all parts of the territory in which the association operates as often as he may deem it necessary to protect the interests of the association. He shall give bond in such amount as the board of directors may require.

ARTICLE VI.

In all meetings of the association each member shall be entitled to one vote for every share of stock in force Voting. owned by him. Members who are not present may vote by written proxy. There shall be embodied in each application for stock a general proxy in the name of the president, general manager and secretary, authorizing them or either of them in the absence or disability of the other to vote the same at any annual or general meeting of stockholders, at which such stock is not otherwise legally represented. All questions shall be decided by a majority of the votes represented at the meeting. Trustees and guardians and legal representatives may cast the votes of those whom they represent in person or by proxy. Any stockholder in good standing may authorize another stockholder, by written proxy duly witnessed, to vote at any general or special election.

ARTICLE VII.

Section 1. Every stockholder shall receive from the secretary a certificate of stock, signed by the secretary and president with a pass book for instalment stock payments.

SEC. 2. Stock shall be transferable only by written instrument signed by the vendor; but no transfer shall be operative or valid until entered on the books of the association and a transfer fee of one dollar paid. No stock shall be transferred until all arrearages and charges thereon have been paid. Shares upon which advances have been obtained cannot be transferred unless the property mortgaged is also transferred or the advance paid.

SEC. 3. Stock may be withdrawn upon sixty days' notice, as here-inafter provided. When a member dies his legal representatives

may withdraw such shares by giving thirty days' notice.

Sec. 4. Shares on which advances have been made may be with-

drawn if the advance is paid, but not otherwise.

SEC. 5. The withdrawal of all stock issued prior to February 1, 1898, shall be governed by the by-laws in force at the date of the certificate and the conditions printed or indorsed on the back thereof. Instalment shares, upon which 12 monthly payments of dues have been made, may be withdrawn at any time after one year from the date of the certificates.

Sec. 6. On instalment shares withdrawn after 12 months from the date of the certificate, the stockholder shall receive the full amount paid into the loan fund with six per cent. interest per annum added for the average time; if withdrawn after twenty-four months the stockholder shall receive the full amount paid into the loan fund with eight per cent. interest per annum added for the average time; if withdrawn after three years the stockholder shall receive the full amount paid into the loan fund together with one-half the profits earned; if withdrawn after four years the stockholder shall receive the full amount paid into the loan fund together with two-thirds of the profits earned; if withdrawn after five years the stockholder shall receive the full amount paid into the loan fund together with three-fourths of the profits earned, and if withdrawn after eightyfour months the stockholder shall be entitled to receive the full amount paid into the loan fund together with full earnings. a share has matured the holder thereof shall receive \$100. membership fee cannot be withdrawn.

SEC. 7. Withdrawn stock will be paid for in the order in which notice is given, but the association shall not be required to use in payment thereof, in any one month, without the consent of the board of directors, more than one-half of the net receipts of the loan

fund for that month.

SEC. 8. If the undivided profits on hand at any time are not sufficient to pay any loss that may occur, the balance shall be charged up to the shares in good standing *pro rata*, in proportion to the value thereof; and if any share is withdrawn the amount so charged shall be deducted from the amount due on such share.

Sec. 9. The shares of stock may be arranged and issued in series

if the board of directors deem it advisable.

SEC. 10. If any stockholder shall neglect or refuse to pay his or her monthly dues or fines for the space of six months, his or her shares of stock may be declared forfeited by the board of directors, and thereupon the same shall revert to the association, and after deducting all fines, the defaulting stockholder shall be entitled to receive, at any time within ninety (90) days thereafter, any balance of his or her monthly payments, otherwise the same will be forfeited to the association and placed in the loan fund as profits and from that date such stockholder shall cease to be a member of the association; or fines may continue to be assessed against such stock until delinquent twenty-four months, when if the amount then due the member thereon be not called for, it shall be forfeited and revert to the association and be placed in the loan fund as profits.

SEC. 11. Any share of stock will be deemed to have matured whenever the payments standing to its credit in the loan fund and the apportioned profits added thereto equals the par value of one hundred dollars (\$100) per share, and whenever any stock has reached maturity the board of directors may retire and cancel the same in such manner and under such regulations as may be deemed advisable.

ARTICLE VIII.

Expense and loan funds, fees,

fines and pay-

ments.

Section 1. All payments due to and from this association shall

be payable at its central office in Washington D. C. The receipts of this association shall be divided into a loan fund and an expense fund. The expense fund shall consist of membership, attorney, and appraisal fees and the portion of

monthly dues and advance payments designated

in subsequent sections of these by-laws, which fund represents the maximum amount which can be used by the central office and all the branches for expenses. Any salvage out of such expense fund must be turned into the loan fund as profits annually, or oftener, at the discretion of the board of directors. The loan fund shall consist of the monthly dues on instalment stock and advance payments on prepaid and full-paid stock, except such portions of the same as are hereinafter set apart for expenses, and all interest and premium payments, transfer fees, fines, profits, salvage from the expense fund, and all other payments not designated as belonging to the expense fund.

SEC. 2. The admission fee on instalment stock for all members shall be one dollar per share: *Provided*, That Repowel certification any member who has withdrawn his stock shall

Renewal certificate. any member who has withdrawn his stock shall be entitled to receive from the association a renewal certificate signed by the secretary, which

shall entitle such member on surrendering same to a new certificate for the same number of instalment shares without repayment of the membership fee, if presented within one year from the date of such renewal certificate.

SEC. 3. Each and every member who shall fail or refuse to pay his or her dues as often as the same become fines.

The same become the same become and payable shall forfeit and pay a fine of

five cents on each share for each month the

payments may be in arrears. When any fine becomes due the stock-holder shall have the option of paying same in cash, or have it charged on the books of the association to be deducted at time of withdrawal or maturity; and when such fines are not paid in cash the association may charge same to the stockholder's account.

SEC. 4. The payments on each share of instalment stock shall be sixty cents per month for each and every month until maturity, or for a term not exceeding 84 months. The issuance of stock on which the payments are limited to 84 months shall cease on March 15, 1895. On instalment stock issued after March 15, 1895, the

number of payments shall be limited to 96 months, at the end of which time all payments thereon shall cease. Payments shall be due the last business day of each month, and shall commence on the last business day of the month following the date of certificate. Fifty cents per share per month shall be paid into the loan fund, and ten cents per share per month may be devoted to operating expenses.

SEC. 5. Any stockholder, if he so desires, may make his monthly

payments in advance for a period not exceeding Advance pay- two (2) years, and when a payment for six months or more in advance is made at any one ments. time the shareholder shall be entitled to receive

six per cent. interest, or discount on account of the advance pay-

ment, computed on the average time.

Sec. 6. Two kinds of paid-up stock may be issued, which shall be

termed prepaid and full-paid stock.

(1.) Prepaid stock may be sold at the price of fifty dollars per share in advance, and a semi-annual dividend Prepaid stock. at rate of six per cent. per annum on the price

of the stock shall be paid on the first day of March and on the first day of September of each year for the first two years and at the rate of seven per cent. per annum thereafter until such stock is matured or withdrawn, which dividend shall be paid out of and deducted from the profits such stock has earned. The holder may withdraw this kind of stock at any time after one year from date of issue by giving thirty days' notice, and shall be entitled to receive the full amount of fifty dollars per share, less any losses to which the stock withdrawn may be subject, with interest thereon to date of withdrawal, the interest previously paid being part payment of same. The board of directors may require prepaid stock to be withdrawn at maturity. There may be used for expenses on such stock four dollars per share. When any prepaid stock issued previous to March 15, 1895, shall have been in force two years or longer, the board of directors shall have authority to offer the holder the option of waiving the right to withdraw the two per cent. per annum for the previous time and to accept in lieu thereof cash dividends to be paid thereafter at the rate of eight per cent. per annum. Only four thousand shares of this kind of stock can be There may also be sold from and after February 1st, 1897, prepaid stock at the price of \$50 per share, upon which a semiannual dividend at the rate of four per cent. per annum on the price of the stock shall be paid on the first day of March and the first day of September in each year until such stock matured or withdrawn, which dividend shall be paid or of and deducted from the profits such stock has earned. holder may withdraw this kind of stock at any time after one year from date of issue upon sixty days' notice thereof, and shall be entitled to receive the full amount of \$50 per share, less any losses to which the stock withdrawn may be subject, together with six per cent. interest thereon from and after one year from date of issue until the date of such withdrawal, the interest previously paid being part payment of same. The board of directors may require such stock to be withdrawn at maturity. There may be used for expenses on such stock \$4 per share.

(2.) Full-paid stock may be sold at the price of one hundred dollars per share in advance on which a semi-

lars per share in advance, on which a semi-Full-paid stock. annual dividend at the rate of six per cent. per annum shall be paid on the price of the stock on the first day of March and the first day of September of each year until withdrawn. The holder may withdraw this kind of stock at any time after one year from date of issue by giving sixty days'. notice, and shall be entitled to receive the full amount of one hundred dollars per share, less any loss to which the stock withdrawn may be subject, with interest thereon at the dividend rate to the date of withdrawal, the dividends previously paid being part payment of the same. The board of directors shall have authority by special contract to fix a longer period than one year from its date when fullpaid stock may be withdrawn, providing such stock equals or exceeds a single subscription of one hundred shares. The directors may require full-paid stock to be withdrawn at any time after seven years from its date, and they may, at their discretion, limit the number of shares of this stock to be sold bearing seven per cent. interest, and in lieu thereof, issue stock of the same kind bearing a less per cent. and may require the same to be withdrawn at any time after three years or longer from its date. There may be used for expenses on this kind of stock six dollars per share.

SEC. 7. The board of directors may, at its discretion, extend the limit of 84 monthly payments on instalment stock to 96 monthly payments. This shall not apply to stock issued previous to such

extension.

SEC. 8. The board of directors may, at their discretion, issue shares of stock on which the membership fee shall be Half-rate stock. one dollar, and the monthly payments shall be thirty cents per share, five cents of which payment shall be placed to the credit of the expense fund and the remainder to the loan fund. The cost of this stock shall be limited to 144 monthly payments, but in all other respects it shall be subject to the same conditions as the 96 monthly payment instalment stock, and shall be termed "half-rate stock." Any kind of stock may be sold at a premium at the option of the board of directors, and such premium shall be credited to the loan fund.

SEC. 9. The board of directors shall have the power to issue such other classes of stock and subject to such conditions as they may

deem proper in the interests of the association.

ARTICLE IX.

Section 1. The entire loan fund of this association shall be available for advances, except such portion as may be necessary to comply with the laws of any States in which this association does business,

or in purchasing real estate for the proper transaction of the business of the association. Only members can receive advances, but in no case to exceed the par value of the stock upon which the advance is made, and upon such terms and security as the board of directors may approve: *Provided*, That the rate of interest thereon shall be six per cent. per annum, with such monthly premium as may be bid therefor. Bids for advances must accompany applications and may be made in person or in writing. Payments of interest and premium shall be made monthly. Advances shall be made at the regular monthly meetings of the board of directors, when there are sufficient funds therefor, and as much oftener as may appear advisable to the board.

SEC. 2. A member desiring an advance shall file a written application therefor with the secretary, accompanied by a written or personal bid, stating the amount of premium bid per share per month, in addition to six per cent. interest, which the applicant proposes to pay for such advance. But no advance shall be granted to a member until three months from the date of his certificate of stock, unless the board of directors shall, for good reasons, determine to the contrary, in which case he may be required to pay three months' dues in advance.

SEC. 3. Bids shall be numbered in the order of their receipt, and shall have priority in the order of their number provided satisfactory security is given by each applicant, and such security shall be submitted for the approval of the board of directors within two weeks after notice, and should applicant fail to do so his priority shall be forfeited.

SEC. 4. A member desiring an advance before three months after subscribing for stock, shall advance three months' dues for the purpose of securing payment of the expense of making the loan. An examination and abstract of title will be required in all advances, to be made by a competent attorney, and the applicant must pay for such examination and abstract and for the record of the mortgage, and all other expenses connected therewith.

Sec. 5. If the advance is granted, the expense thereof, unless otherwise provided for, may be deducted from the amount of the

advance.

SEC. 6. Advances may be repaid at any time on sixty days' notice. If any person who has received an advance neglects to pay interest, dues, or monthly payments thereon for a period of three months from the time the same shall be due, or if he neglects to pay his insurance or taxes within ten days after they fall due, or to perform any other condition or requirement contained in the obligation or security for such advance, then the whole principal mentioned in the mortgage note or bond shall at once become due and payable without further notice, and proceedings may be commenced forthwith to foreclose such mortgage or to collect said bond or note in such manner as the law directs, or as the board of directors may deem best for the interests of the association.

SEC. 7. All buildings on which advances are made shall be kept

insured by the owner at his own expense, and the insurance made payable to the association, Insurance. as its interests may appear. All policies shall be renewed and turned over to the association at least fifteen days

before expiration; but in case the owner shall fail to obtain such insurance or renewal, or in case he shall desire said association to obtain it for him, then it shall be lawful for the association to take out the necessary insurance and the owner shall pay the expense thereof, and the amount so advanced shall be considered a charge

against his account.

SEC. 8. Members obtaining advances shall execute such notes or bonds and mortgages as shall be required by the board of directors and approved by the attorney: Provided, the monthly payment of premiums shall cease when the monthly dues on the stock upon which the advance is made shall have been fully paid. Payments of interest shall continue until the stock on which the advance is made is matured, at which time all payments shall cease and the obligation of the person having the advance be released and returned to him.

SEC. 9. The board of directors may make temporary advances to members not exceeding ninety per cent. of the value of the stock advanced upon. Such tem-Stock loans. porary advances shall be made for a period not exceeding twelve months, and shall be secured by a judgment note or bond, and by a pledge of stock in the association, and shall bear

interest at the rate of six per cent. and shall be subject to such monthly premium as is bid by the applicant, both interest and pre-

mium being payable in advance. SEC. 10. The board of directors shall have power to loan, subject to call, surplus funds of the association upon satisfactory security to such persons and at such rate of interest as they may deem best.

ARTICLE X.

In case of loss or damage by fire of any building mortgaged to the association and insured, the amount of such insurance shall be received by the board of Application of directors, and may be applied, as far as it will insurance money. go, to the discharge of the debt due the association, the balance, if any, to be paid over to the member or to his personal representatives, and the stock upon which the advance was made to be cancelled and revert to this association: Provided, the amount of insurance so collected is sufficient to release all obligations to this company; and should said member desire or elect to rebuild, then said amount of insurance so collected may be returned to him and the membership continue as before.

ARTICLE XI.

All amounts in excess of five dollars shall be paid with the association's check, signed by the secretary, duly authenticated, and for this purpose the associa-Disbursement tion shall provide its own check or draft book. of funds. The board of directors shall authorize the secretary, countersigned by the president or general manager, to draw from the treasurer and deposit in bank, to the credit of the association, such funds as may be necessary from time to time to defray expenses, pay withdrawals, and make loans.

ARTICLE XII.

The secureties in the form of notes, bonds, and mortgages, or any other securities taken for moneys advanced by Securities of the this association, shall not be hypothecated, association. pledged, or assigned, or transferred as security for any loan to this association or for any purpose whatever, but shall be kept safely under the control of the association, deposited with designated trustees or State officials, except such portion of same as shall be necessary to comply with the laws of any States in which this association does business; and the board of directors shall have the authority to use such securities for the purpose aforesaid.

ARTICLE XIII.

Section 1. Whenever sufficient stock has been sold in any town to make it advisable, the members residing in Local branches. such town may organize a local board or branch of the association. The officers of the local organization shall consist of a president, treasurer, secretary, attorney, and a board of not more than eleven directors. These officers shall hold office one year, and until their successors are elected and qualified.

Sec. 2. As it frequently happens that a meeting of the local members cannot be held as soon as it is desirable, the traveling agents of the association are given authority to appoint the first officers of the local board: *Provided*, however, that officers so appointed shall only hold office until the members of the local board meet and elect

their successors.

SEC. 3. It shall be the duty of the officers of the local board to pass on all applications for advances which are received by the association from members residing in the town where such local board is located, and to protect the interests of the association in all practicable ways.

SEC. 4. Members may, if they so desire, make monthly payments on stock to the local treasurer. But such local treasurer shall be deemed to be the agent of the members, and not of the association.

SEC. 5. As soon as the officers of the local board have been appointed or elected, and the names of such officers have been certified to the association by a traveling agent, or by the local secretary, a local board charter shall be issued to such board.

Sec. 6. The president of the local board shall call a meeting

thereof whenever three members shall request him so to do.

SEC. 7. Where enough stock is not subscribed to form a local branch, a local agent and collector may be appointed on the same conditions as a local treasurer of a branch, and shall report to some near-by branch or to the central office of the association.

ARTICLE XIV.

No amendment of the by-laws shall be made at any stockholders' meeting which has not been previously submitted to the board of directors at least thirty Amendment of by-laws. days before any such meeting, but no action by the board of directors thereon is necessary.

Officers.

Joseph D. Taylor, president. George F. Huff, vice-president. William H. Taylor, treasurer.

J. C. Stoddard, secretary (late disbursing officer, U. S. census). T. H. Anderson, general manager and counsel.

Directors.

Joseph D. Taylor, president Washington Savings Bank of Washington, D. C., and Guernsey National Bank of Cambridge, Ohio; ex-member of Congress from Ohio.

George F. Huff, ex-member of Congress at large from Pennsylva-

nia; banker and financier.

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T. H. Anderson, ex-U. S. minister to Bolivia; attorney-at-law; vice-president of the Washington Savings Bank of Washington,

Jesse B. Wilson, president of the Lincoln national bank; Mutual Fire Insurance Company, and Northern Market Co. of Washington,

R. E. Doan, ex-member of Congress from Ohio, attorney and counsellor at law, Washington, D. C.

William H. Taylor, attorney-at-law; director Washington savings bank.

H. Bradley Davidson, attorney-at-law, real estate and loans; vicepresident of the Lincoln national bank, Washington, D. C.

George O. Ferguson, banker and broker, Washington, D. C. John O. Johnson, real estate, loans, &c., Washington, D. C.

Answer of Defendant.

Filed June 24, 1901.

In the Supreme Court of the District of Columbia.

BERTHA L. FISKE ET AL. Equity. No. 22370, THE WASHINGTON NATIONAL BUILDING AND Loan Association. Docket 50.

The defendant The Washington National Building and Loan Association of Washington, D. C., for answer to the bill of complaint exhibited against it, says:

1. It admits that the complainants are citizens of the United

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States, but does not admit that they are residents of the city of Washington, District of Columbia, but, on the contrary, says, on information and belief, that they are residents of the State of Maryland, and were such residents at the time of the signing of the application and

mortgage hereinafter referred to.

2. This defendant admits that it is a corporation duly incorporated under the laws of the State of Virginia, and doing business in the city of Washington, District of Columbia, and has a business office in said city and District, but its principal office is in Alexandria, Virginia. It further admits that many of its books of account, records, and other data relating to its business are at its Washington office, but it says that the mortgage hereinafter referred to is in the State of Maryland, and that the pass-books showing the accounts of the complainants with said association are in their possession and presumably in said State of Maryland.

3. This defendant admits the truth of the allegations of

the third paragraph of the bill of complaint.

4. This defendant admits the truth of the averments contained in the fourth paragraph of the bill of complaint, but for a further an-

swer thereto makes the following statement:

That heretofore, to wit, on September 1, 1898, the complainants herein applied for membership in the defendant association, as will more fully appear by reference to a copy of said application for membership, hereto attached and marked "Exhibit A," and pursuant to said application, the same being accepted, there was issued to them as of the date of September 22, 1898, certificate number 448, in series No. 67, for thirty shares of the capital stock of the defendant association, all of which will more fully appear by reference to a copy thereof, hereto attached and marked "Exhibit B;" that thereafter and on, to wit, September 16, 1898, the complainants applied to the defendant for an advancement of three thousand (\$3,000) dollars on thirty shares of said association's stock, being the certificate hereinbefore referred to, and to procure said advancement on the one hundred and forty-four months' plan, they bid a premium of fifty cents per share on each one hundred (100) dollars so advanced, and agreed to make, execute, and deliver their bond, secured by mortgage or deed of trust on the real estate described in the bill of complaint, as will more fully appear by reference to a copy of their application, hereto attached and marked "Exhibit C;" that the one hundred and forty-four months' plan referred to in the application is the same as described in the literature of the association, copies of which were furnished to

the complainants before they applied for said loan, and is shown in detail on page eight of "Exhibit D," hereto attached; that said application, having been submitted to defendant's board of directors, was, on the thirty-first day of August, A. D. 1898, approved by them and the loan ordered, and pursuant thereto, and as security for said loan, the complainants, on, to wit, October 17, 1898, assigned in blank to the defendant association and delivered to said association the certificate of stock hereinbefore re-

ferred to, and, as additional security for said loan, on October 1, 1898, executed a mortgage upon the property described in the bill of complaint, and delivered the same immediately thereafter to the defendant association, and which said mortgage was, on the twenty-fourth day of October, A. D. 1898, duly recorded in Liber T. D. No. 5, at folio 28, etc., one of the land records of Montgomery county, Maryland.

5. This defendant admits the truth of the averments contained in

the fifth paragraph of the bill of complaint.

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6. Replying to the sixth paragraph of the bill of complaint, this defendant admits that the complainants have paid to it since the date of said mortgage sums aggregating nine hundred and ninety (990) dollars, and admits that it has refused to consider the said sum of nine hundred and ninety (990) dollars as applied to the interest and principal of said loan of three thousand (3,000) dollars, except as hereinafter set forth. It admits that the complainants have applied to it to be informed as to the amount due under said mortgage, and that they have been informed that there was still due

the sum of twenty-nine hundred and twenty-eight and 150 (2,928.50) dollars, despite payment by the complainants of the

said sum of nine hundred and ninety (990) dollars.

Further answering said paragraph, this defendant says that, as will appear by reference to the schedule of payments on the one hundred and forty-four months' plan, certain sums each month were to be credited to dues, interest, and premiums respectively, and, as will further appear by reference to a detailed statement of the account of the complainants with this defendant, which detailed statement is hereto attached and marked "Exhibit E," the payments made by the complainants were exactly credited in accordance with the plan above referred to, which plan was, by reference, adopted and made a part of complainants' application for a loan, and that at the time said complainants applied for a statement of their account, which was on, to wit, March 8, 1901, they were so far in arrears for premium and interest as to make their indebtedness to the association the amount heretofore stated, to wit, twenty-nine hundred and twenty-eight and 150 (2,928.50) dollars; that this will more fully appear by reference to a copy of the statements furnished the complainants on, to wit, March 8, 1901, being the statements referred to in said bill of complaint and which are now marked "Exhibits F and G."

7. This defendant further admits the correctness of the arithmetical computation made by the complainants as shown in the first clause of the first sentence of the seventh paragraph of the bill of complaint, and admits that the complainants have claimed that the sum due it was twenty-four hundred and seventy-seven and 100 (2,477.50) dollars, and admits that the complainants have called

at its office and tendered themselves ready to pay such amount, and that the defendant has refused the same. Complainants have at no time tendered the sum justly due the defendant. This defendant is not informed as to whether the com-

plainants believe that the said sum, with the amount tendered, would fully satisfy their debt, but says that if they did so believe they believed something entirely at variance with their contract. contrary, this defendant says that if the complainants desired to withdraw they were, under the by-laws of the association referred to in their application for a loan, entitled so to do upon being charged with the amount originally advanced and all interest, premium, and fines or other expenses, and credited with so much of the amount of dues as should have been passed to the loan fund, plus accrued interest thereon at 8 % for the average time payments on account of dues had been made, and that it will appear by reference to Exhibits F and G that such calculation was accurately made by the association, with the result that the complainants were charged with the sum of twenty-nine hundred and twenty-eight and $_{100}^{50}$ (2,928.50) dollars, upon receipt of which sum this defendant was and still is, plus any charges accruing since the date of such statement, ready to settle with the complainants. Defendant is advised by counsel that the remaining statements of said seventh paragraph of the bill of complaint are immaterial and irrelevant and call for no answer.

8. This defendant is advised and believes that the averments of the eighth paragraph of the bill of complaint are immaterial and

call for no special response.

9. Further answering said bill of complaint, this defendant 15 says that ever since February 26, 1901, the complainants have been and still are in default under their contract in the payment of dues, interest, premium, and fines to this association, and never have offered or tendered themselves ready to make good such default, and after repeatedly notifying the complainants of the existence of such default and that unless it were cured the sale of the securities would be necessary, this defendant on, to wit, the day of June, A. D. 1901, assigned the mortgage hereinbefore set forth to Philip D. Laird for the purpose of foreclosure, and on the 7th day of June, A. D. 1901, said mortgage was filed on the equity side of the circuit court of Montgomery county, Maryland, in which county said property is located, and a suit begun by titling, and a bond for faithful performance of his duties given by said Laird, and approved June 7th, 1901, and immediately thereafter and on, to wit, June 14, 1901, in pursuance to the practice prevailing in foreclosure causes in the State of Maryland, said property was advertised for sale in the Montgomery Press, a newspaper of general circulation, published in Kensington, Maryland, such sale to take place on Saturday, July 6, 1901, at 3.30 o'clock p. m., all of which will more fully appear by reference to a copy of said advertisement, hereto attached and marked "Exhibit H." This defendant avers that the filing of this suit by the complainants constitutes an unwarrantable and unjustifiable attempt to withdraw from the circuit court of Montgomery county jurisdiction over the whole subject-matter in this cause.

10. This defendant further avers that, as will appear by reference

to the application for loan hereinbefore referred to, at the time of its making the complainants resides at Sligo, Maryland, their home being the property upon which the mortgage hereinbefore referred to was secured, being located about eight miles from the business centre of the city of Washington and possibly an equal distance from the court-house at Rockville, the county-seat of Montgomery county, Maryland, the latter point being readily reached from the city of Washington by a more direct line, within the distance of about fourteen miles and in an hour's time.

11. This defendant further says that the contract with reference to which the supposed cause of action originated, having relation to property in Maryland and having been entered into at a time when the complainants were citizens of the State of Maryland, and, as defendant is informed and believes, such residence having still continued, and all the facts with relation to the alleged controversy being within the knowledge and in the possession of the complainants, and a suit for foreclosure having been commenced in the circuit court of Montgomery county, Maryland, before the institution of this suit, that court thereby acquiring jurisdiction over the subject-matter, and no reason having been shown by the bill of complaint and by the additional facts contained in this answer why full justice cannot be done to all the parties concerned in the circuit court of Montgomery county, this court should not take jurisdiction of this cause, but should remit the complainants to such remedy, if any, as they can obtain in the circuit court of said Montgomery

county, the same being a court of general jurisdiction; and the defendant claims the same benefit of this answer as if it

had made the same by way of plea.

And, having fully answered, the defendant respectfully prays to be hence dismissed with its costs in this behalf most wrongfully had.

THE WASHINGTON NATIONAL BUILDING AND LOAN ASSOCIATION OF WASHING-TON, D. C.,
By JOSIAH C. STODDARD, Secretary.

R. E. DOAN AND J. H. RALSTON, Solicitors.

DISTRICT OF COLUMBIA, 88:

Josiah C. Stoddard, being first duly sworn, on oath says that he is the secretary of The Washington National Building and Loan Association, the defendant in the above-entitled action, and as such has full knowledge of the facts hereinbefore set forth; that he has read the foregoing answer by him signed and knows the contents thereof; that the same is true of his own knowledge, except as to the matters and things therein stated upon information and belief, but that as to the same he believes it to be true.

JOSIAH C. STODDARD.

Subscribed and sworn to before me, a notary public in and for the District aforesaid, this twenty-second day of June, A. D. 1901.

CLARENCE E. LATIMER,

[SEAL.]

Notary Public.

18

"Ехнівіт А."

Filed June 24, 1901.

Copy.

Date of certificate, April 22, 1898; series No., No. 448.

(Leave above blank, to be filed at home office.)

We, Joseph H. and Bertha L. Fiske—P. O. address, No. ——street, Sligo, county of Montgomery, State of Maryland; branch, —; occupation, —; hereby apply for membership in the Washington National Building and Loan Association of Washington, D. C., in accordance with its charter and by-laws, which are made a part hereof, and subscribe for thirty (30) shares of its 144 mos. instalment stock.

(Here insert kind of stock, whether instalment (full or half rate),

prepaid or full paid.)

And I have made and signed this application with the distinct knowledge and understanding that I am not entitled to repayment of the membership or admission fee paid or to be paid by me as a member of said association, and that the acceptance of this application by said association does not in any way bind or obligate it to lend money thereon, notwithstanding any representations or promises which may have been made by agent or person at whose solicitation I subscribed this application.

I hereby constitute and appoint Joseph D. Taylor, R. E. Doan, and J. C. Stoddard my attorneys and proxies, authorizing them or either of them in the absence or disability of the others to vote for me and in my name at any annual or general meeting of stockholders of the association, of which notice has been given according to the by-laws and at which I am not otherwise legally represented. It is understood that this proxy may be revoked by me at any

time.

No agent has authority to collect money in payment of paid-up stock or dues on instalment stock. Paid-up-stock payments should be made by check, draft, money order, express, or registered letter, payable to the association itself, and instalment dues should be paid to the local treasurer. Agents have authority only to collect admission fees on instalment stock. If, however, the application for stock is for the purpose of securing a loan, no membership fee will be collected unless the loan is granted, when the same will be deducted from the loan by the home office. This asso-

ciation will not be responsible for payments made contrary to these instructions.

Dated this 1st day of Sept., 1898.

Office, —. Agent, ———.

(S'd)

JOSEPH H. FISKE,

(S'd)

BERTHA L. FISKE, Applicant-.

(Marginal note:) Application for membership.

20

Ехнівіт "В."

Filed June 24, 1901.

"B"

Number —. Authorized capital, \$40,000,000. Shares, —.

Series 67. Copy.

Amount, \$3,000.00.

Washington National Building & Loan Association of Washington, D. C.

Par value, \$100 each.

This certifies that Joseph H. and Bertha L. Fiske, of Sligo, State of Maryland, has subscribed for thirty (30) shares of half-rate stock of the Washington National Building & Loan Association of Washington, D. C. The monthly dues thereon are payable the last busi-

ness day of each month following date of certificate, commencing the last business day of ——, 189—. This certificate is issued to and accepted by the holder upon the conditions named on the back beyonf and the by laws of the aggregation

SEAL.

hereof and the by-laws of the association.

In witness whereof the association has caused its seal to be annexed and this certificate to be signed by its president and secretary at Washington, D. C., this 22nd day of Sept., A. D. 1898.

J. D. TAYLOR, President.

J. C. STODDARD, Secretary.

Incorporated under the laws of the State of Virginia.

[Printed across the face:] $\frac{1}{2}$ rate.

[Endorsed:] Certificate marked "B." Copy. No. 448, series 67. The Washington National Building and Loan Association of Washington, D. C. Monthly dues, \$9.00, payable the last business day of each month. In writing the central office, always state the number of this certificate. Notify the association of any change in your post-office address.

Copy.

Conditions Referred to in the Body of the within Certificate.

First. The payments of each share of half-rate instalment stock shall be a membership fee of one dollar per share and thirty cents per month for each and every month until maturity, or for a term not exceeding 144 months, at the end of which time all payments thereon shall cease. Payments shall commence the last business day of the month following the date of the certificate, and shall be due thereafter on the last business day of each month. Twenty-five cents per month per share shall be paid into the loan fund, and five cents per month may be devoted to operating expenses. All admission and attorneys' fees may be applied to the payment of operating expenses.

Second. Any stockholder, if he so desires, may make monthly payments in advance for not exceeding two years, and when a payment for six months or more in advance is made at any one time the shareholder shall be entitled to receive six per cent. interest or discount on account of the advance payment, computed for the average time. All payments due this association, or from it, shall

be payable at its central office, in Washington, D. C.

Third. Each and every member who shall fail or refuse to pay his or her dues as often as same shall become due and payable shall forfeit and pay a fine of five cents on each share for each month the payments may be in arrears, unless otherwise provided by law. When any fine becomes due the stockholder shall have the option of paying same in cash or have it charged on the books of the association, to be deducted at the time of withdrawal or at maturity. When such fines are not paid in cash the association may charge same to the stockholder's account.

Fourth. If any stockholder shall neglect or refuse to pay his or her monthly dues or fines for the space of six months his or her shares of stock may be declared forfeited by the board of directors, and thereupon the same shall revert to the association, and after deducting all fines the defaulting stockholder shall be entitled to receive at any time within ninety (90) days thereafter any balance of his or her monthly payments; otherwise the same will be forfeited to the association and placed in the loan fund as profits, and from that date such stockholder shall cease to be a member of the association, or fines may continue to be assessed against such stock until delinquent twenty-four months, when, if the amount then due the member thereon be not called for, it shall be forfeited and revert to the association and be placed in the loan fund as profits.

Fifth. Stock shall be transferable only by written instrument, signed by the vendor, but no transfer shall be operative or valid until entered on the books of the association and a transfer fee of one dollar paid. No stock shall be transferred until all arrearages and charges thereon have been paid. Shares upon which advances

have been obtained cannot be transferred unless the property mort-

gaged is also transferred or the advance paid.

Sixth. Stock may be withdrawn upon sixty days' notice, as hereinafter provided. When a member dies his legal representatives may withdraw such shares by giving thirty days' notice.

Seventh. Shares upon which advances have been made may be

withdrawn if such advance is paid, but not otherwise. Eighth. The withdrawal of all stock issued prior to February 1, 1898, shall be governed by the by-laws in force at the date of the certificate and the conditions printed or indorsed on the back thereof. Instalment shares, upon which 12 monthly payments of dues have been made, may we withdrawn at any time after one year from the date of the certificates. On instalment shares withdrawn after 12 months from the date of the certificate the stockholder shall receive the full amount paid into the loan fund with six per cent. interest per annum added for the average time. If withdrawn after twentyfour months the stockholder shall receive the full amount paid into the loan fund with eight per cent. interest per annum added for the average time. If withdrawn after three years the stockholder shall receive the full amount paid into the loan fund together with onehalf the profits earned; if withdrawn after four years the stockholder shall receive the full amount paid into the loan fund together with two-thirds of the profits earned; if withdrawn after five years the stockholder shall receive the full amount paid into the loan fund together with three-fourths of the profits earned, and if withdrawn after eighty-four months the stockholder shall be entitled to receive the full amount paid into the loan fund together with full earnings. When a share has matured the holder thereof shall receive \$100. The membership fee cannot be with a

Ninth. If a share which has matured is withdrawn the holder

thereof shall be entitled to receive one hundred dollars.

Tenth. Withdrawn stock will be paid for in the order in which notice is given, but the association shall not be required to use in payment thereof in any one month, without the consent of the board of directors, more than one-half of the net receipts of the loan fund for that month.

Eleventh. Whenever any stock shall have reached maturity the board of directors may retire and cancel the same in such manner

and under such regulations as may be deemed advisable.

Once in six months the profit arising from interest, premiums, fines, savings from expense fund, and other sources, shall be credited to the shares in good standing. Whenever the amount standing in the loan fund to the credit of any share equals one hundred dollars such share shall be deemed to have matured and no more monthly payments shall be required. If losses occur they shall be deducted from undivided profits so far as possible; any deficiency may be charged to shares in force.

Twelfth. No agent has authority to change this contract in any way, and the association assumes no obligation for any statement

not contained in its printed literature.

Assignment.

(If you want to sell your stock fill out this blank, have your signature witnessed, and send with pass book and the transfer fee to the central office. If you wish to withdraw sign below, have your signature witnessed, and inclose with your pass book to central office.)

(Signed) (S'd)

BERTHA L. FISKE, JOSEPH H. FISKE, Assignor-.

Dated 10, 17, 1898.

Witness:

C. E. LATIMER.

I accept the within shares of stock and agree to the terms and conditions of the within certificate.

21

" C."

Filed June 24, 1901.

Application for a Real-estate Advancement or Loan in the Washington National Building and Loan Association of Washington, D. C.

To the board of directors of the Washington National Building and Loan Association:

1. We, Joseph H. and Bertha L. Fiske, of Washington, hereby apply for an advancement of three thousand (\$3,000.00) dollars on 30 shares of said association's stock, certificate No. —, series No. —, which we hold, and to procure said advancement on the 144 months' plan, I bid a premium of 50 cents per share on each \$100 so advanced, as provided by the terms and under the rules and regulations of said association, and in accordance therewith we hereby agree to make, execute, and deliver my bond, secured by my mortgage or deed of trust on my real estate hereinafter described and set forth in the statements, questions, and answers following, to wit:

2. My name in full is Joseph H. Fiske; age, 49; color, white.

3. Wife's name (or husband's), Bertha L. Fiske; age, 40.

4. Occupation is (if application is by wife, give occupation of husband) manager Standard Sewing Machine Co., D. C.

5. What means have you for meeting monthly installments? (State fully what income, salary, etc.) Fifteen hundred per annum.

Location and description of real estate.

6. The real estate which I offer as security for said advancement is situated in the village of Sligo, near Silver Spring station -- county, Montgomery; State, Maryland—and is described as follows (copy description in your deed, if it correctly describes the land offered as

security):

Six acres, known heretofore as the Johnson property, adjoining the William Thompson estate, fronting partially on the Seventh Street pike and partially on Colesville pike, being the same property conveyed to the applicant by — on the day of —, 1—, by deed recorded in the records of deeds of —— county, State of ——, in Deed Book, vol. —, page —.

7. The population of that city or village is —.

8. On what railroad is it located? Washington, Brightwood and Forest Glen Electric road, quite near Metropolitan branch, B. & O.

9. What are the dimensions of the land? Answer. — feet by feet.

Is it above or below grade; and, if so, how much?

What is the distance from main business center? character of surroundings. Good residence properties.

10. What did you pay for the property? Will pay \$5,400. Was this in money or trade? Trade.

11. How much of the purchase price did you pay in cash?

12. Do you still owe part of the purchase price; and, if so, how much, and when payable, and how secured?

- 13. Is the property mortgaged; if so, for what amount and by whom is the mortgage held? \$2,400; held by Mrs. Brown, Rockville,
- 14. Are there any liens against the property? If yes, state their nature and amount. No other.

15. Are there any unpaid taxes against the property? If so, for

what years?

16. Have you made any improvements on the property? If so, state when and what and the cost of the same. No; contemplate some.

Existing improvements.

17. Give a full description of the improvements now on the prop-(Answer should carefully describe the dimensions of building, number of stories and rooms, kind of foundation and roof, cellar, kind of flues, and whether painted, and how many coats.) 1 dwelling; frame; 8 rooms; shingle roof. 1 dwelling containing 4 rooms.

18. When were these improvements made? Cannot say.

19. Have all bills against the property been paid; if not, to whom do you owe and in what amounts? None.

20. For what purpose is the property now used or to be used? rented, what is the annual rental? Small one; rented at \$5 per mo.

Proposed improvements.

21. What is the character of the proposed improvements? (Give a full description of the building, dimensions, character of foundation, size of cellar, kind of flues, etc.) Fencing and general repairs to the 8-room dwelling; 1 stable (1 story and loft); 1 spring-house.

22. To whom is the contract to be let and for what amount?

Not let.

23. Will you invest the proceeds from this advancement to the completion of the buildings? ——.

24. Will you give an indemnifying bond to protect this as-

sociation against mechanics' liens? ——.

25. I wish the advancement made in installments, as follows: On delivery of the bond and mortgage, \$2,700; when the foundation is completed, \$—; when the buildings are inclosed and roof on, \$—; when plastered and inside finished, \$—; when completed in every particular, \$300.

Value of property.

29. What is the assessed valuation of property according to last assessment for taxes? Don't know.

30. Is it your homestead? ——.

31. Can all incumbrances now on the property be released? Yes.

32. For what purpose do you desire the money? To finish paying for the property and to make a few improvements on the dwelling.

33. What amount of fire insurance have you? In what company and for what period? Will insure when pur-

chased.

34. What amount of life insurance do you carry; in what

company? \$3,000; Royal Arcanum.

I promise and agree to furnish, at my own expense, a full and complete abstract of title to the property offered as security, accompanied by the certificate of an attorney, to be designated by said association, or such other proof showing my clear and undisputed title to the property as the association may require. I also agree to pay all taxes and assessments on the property during the continuance of the advancement, and will keep the property insured in such insurance company as may be approved by the association, the policy to be delivered to the association with a mortgage clause attached, such as may be approved by said association; and I further agree to pay for recording the mortgage or deed of trust and all fees for official searches and certificates.

DISTRICT OF COLUMBIA, 88:

We, Joseph H. Fiske and Bertha L. Fiske, the above-named applicant-, do solemnly swear that the foregoing statements, facts, and answers to questions are true to the best of my knowledge and belief.

(Signed)

JOSEPH H. FISKE, BERTHA L. FISKE, Applicant.

Subscribed and sworn to before me this 16 day of Sept., 1898.

(Signed)

C. E. LATIMER,

Notary Public.

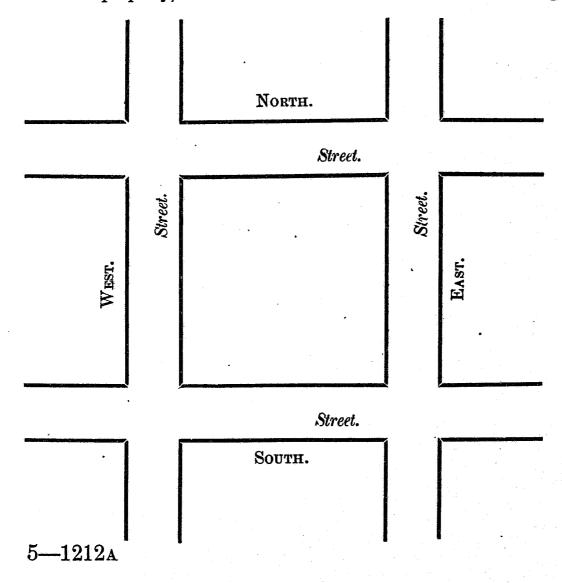
[NOTARIAL SEAL.]

References.

The applicant-refers, as to the value of the property herein described and as to — personal standing, to—

The following is a diagram of the situation of the property, showing the streets between which it is located and the street upon which it fronts. The house number is —. This diagram must be filled out.

Locate the property, name the streets, and describe the surroundings.



give trustworthy information if

who is acquainted with the security offered, is in no way inter-

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consulted

Local Board's Appraisal of Property.

Appraisement should be made regardless of applicant's valuations.

To the board of directors at home office of the Washington National Building and Loan Association of Washington, D. C.:

We, the undersigned, hereby certify that we have each in person carefully inspected the real estate offered as security under this application, and in our judgment the present market value of the ground,

exclusive of buildings, is	\$3,300
that the cash value of the building is	700
that the cash value of the proposed improve-	000
ments is	300

time at forced sale for \$3,500.

We also state that the condition of the property is truly set forth by the applicant- in his accompanying statements; that we believe his answers to the questions contained therein are true, and that the property is so situated that it will not likely depreciate in value in the future, and that the advance is a desirable one for the association to make.

We also state that we are well acquainted with the credit, reliability, and business promptness of said party, and that his credit is good, and we believe that he will pay the monthly installments promptly, and will faithfully keep and perform the conditions of the mortgage which he may give to your association. We recommend that the advance be granted for \$3,000, of which \$300 be retained for completion of improvements.

In testimony whereof we, officers and directors of the local board at ——, have set our hands this 31 day of August, 1898.

(Signed) H. BRADLEY DAVIDSON,

Committee.



Washington

National

Building and Loan Association

CENTRAL OFFICES:

Northeast Corner 12th & G Streets, N. W.

Washington, D. C.



Officers.

JESSE B. WILSON, President.

GEORGE F. HUFF, Vice-President.

WILLIAM H. TAYLOR, Treasurer.

J. C. STODDARD, Secretary,

T. H. ANDERSON, General Manager.

R. E. DOAN, General Counsel.

Directors.

- Jesse B. Wilson, President of the Lincoln National Bank; and Northern Market Co., of Washington, D. C.
- George F. Huff, Ex-Member of Congress at Large from Pennsylvania; Banker and Financier.
- T. H. Anderson, Ex-U. S. Minister to Bolivia; Vice-President of the Washington Savings Bank, of Washington, D. C.; United States Attorney for the District of Columbia.
- R. E. Doan, Ex-Member of Congress from Ohio, Attorney and Counsellor-at-Law, Washington, D. C.
- William H. Taylor, Attorney-at-Law, Director Washington Savings Bank.
- H. Bradley Davidson, Attorney-at-Law, Real Estate and Loans; Director West End National Bank, Washington, D. C.
- John O. Johnson, Real Estate, Loans, etc., Washington, D. C.

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Growing Popularity of the WASHINGTON NATIONAL.

One of the surest evidences of the growing popularity of the Washington National is the rapid increase of its business at the National Capital, where it is domiciled and where the personnel of the management is known to the people. It is safe to say that there are but few, if any, similar institutions in the country that can number so many investment shareholders among the people at home as can this Association. Professional men of all classes, people from all parts of the United States employed in the various departments of the U. S. Government, Army and Navy officers, and salaried and business men throughout the city, are more and more increasing their investments with the Association as a safe and desirable institution with which to profitably deposit their savings.

THE SPLENDID RECORD

OF THIS . . .

____ Association.

ORGANIZED, MARCH, 1893.

Assets:

A	lug. 31,	1893							٠		\$78,021.33
	eb. 28,						•	•	•		\$162,058.22
Ä	lug. 31,	1894			•	•				•	\$270,072.09
I	eb. 28,	1895	•			٠.		•	•	•	\$409,387.99
1	Aug. 31,	1895						•	•		\$522,772.07
I	eb. 29,	1896				•			•	•	\$691,687.90
1	Aug. 31,	1896	•	•	٠	•	•	•	•	•	\$847,952.81
I	eb. 28,	1897		•			, •		•	•	\$967,958.61
1	Aug. 31,	1897		•	•			•	•	•	\$1,039,421.76
	eb. 28,	1898	٠		•		•		•	•	\$1,123,712.72
ļ	Aug. 31,	1898				•	•	•		•	\$1,226,384.37
	eb. 28,	1899			•	•		•	•	•	\$1,318,728.32
4	Aug. 31,	1899							•	•	\$1,416,903.17
1	Peb. 28,	1900	•	•	: 6	•	•		•	•	\$1,471,670.92

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State Supervision.

THIS ASSOCIATION

Operates in the State of Pennsylvania under supervision of Pennsylvania Banking Department, and in other States under the same laws and State Supervision as like institutions of a local character.

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The total number of real estate	•
advances in force is	1,177
The total amount of real estate	
advances in force is \$1,6	29,521.79
The average amount of real estate	•
advances in force is	\$874.70
The appraised value of real estate	•
held as security for above ad-	
vances is about	\$2,175.00
The amount of insurance held as	
additional security therefor is	
about \$1,2	03,046.90
The number of towns in which	•
above advances are placed is .	210

Plan Equitable.

NO system yet devised provides a more perfect and convenient way of saving money, securing homes and insuring economy and thrift than that of this Association. Its plan is based upon practical experience and is fair to all.

Members get an equitable share of the profits after three years which increases as their stock grows older. Only the persistent members are entitled to the full profits in any institution. It furnishes a good investment because its securities are absolutely safe and its profits large. It offers an excellent source from which to borrow, because payments decrease each year and are less than in other Associations.

36

Safety is the first consideration in all legitimate investments. The special elements of safety in this Association are:

ist, a Board of Officers and Directors to handle and invest the money and protect the institution which, for probity, financial standing, ability and practical business experience, ranks with the strongest boards of directors of financial institutions in this country; 2d, a plain, practical, equitable plan which is good for the investor and just to the borrower: 3d, the fact that advances can be made only on first mortgage on Real Estate or the Association's own stock; 4th, that securities cannot be sold or transferred, except to comply with State laws, and must be deposited with responsible trustees; 5th, that there is a double inspection of all advances, and that all officers who handle money are well bonded.

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Profits in this Association arise from Interest, Premiums, Monthly Compounding, Fixed Dividend Stock, Fines, Transfer

Fees, etc. Every six months these profits are divided among the stockholders in good standing and placed to their credit on the books of the Association. When these profits, added to the monthly payments in the Loan Fund, equal \$100 per share, the member draws that amount in cash. Should the profits mature the stock before the 96 payments are made, the member is benefited by drawing the \$100 per share at date of such maturity.



PERMANENT STOCK.

Terms and Conditions.

This stock is issued either payable in one sum of \$100 per share at date of subscription, or in monthly instalments of

not less than one dollar per share on or before the last business day of each month, the subscriber having the option, however, of paying as much more as he chooses. When these shares are fully paid for at \$100 per share at date of subscription, final certificates of stock are immediately issued therefor, but where the subscriber prefers to pay for same in monthly instalments, provisional or temporary certificates are issued therefor until such shares are fully paid when these provisional certificates will be taken up and canceled, and final certificates will be issued in lieu thereof to the holders of such stock. This stock cannot be withdrawn.



Dividends.

There will be paid from the earnings of this stock, where the amount standing to the credit of each share is not less

than \$20.00, a semi-annual dividend, for the first two years, at the rate of six per cent. per annum upon the amount paid for the average time, and thereafter such dividend as the Board of Directors may deem wise to apportion thereto, which dividend will be paid *in cash* on the 15th day of January and July of each year.



Surplus Fund. As this stock participates fully in the earnings of the Association, the remainder of such profits apportioned thereto, after

payment of the above dividends, will be set aside

as a surplus fund, to be administered for the benefit of this particular stock, thereby adding to the value of such shares and the amount of future dividends thereon and increasing their market value, should the holder thereof for any reason wish to dispose of the same.



Prepaid Stock

is sold at \$50 per share, upon which amount a semi-annual dividend at the rate of four per cent. per annum is paid on March 1st and September 1st of

each year until maturity.

This stock may be withdrawn at any time after one year and in case of such withdrawal the holder shall be entitled to receive the full amount of \$50 per share together with six per cent. interest thereon after the first year from date of issue. This stock is issued to meet the wants of many who are satisfied with a low rate of interest and who desire a more speedy maturity. It should mature to \$100 per share in about seven or eight years and is particularly commended to conservative investors. The original issue of prepaid stock has been permanently withdrawn from the market.

Agents are not authorized to collect payment for paid-up stock. Applicant should make the payment by Bank Draft, Money or Express Order, Express or Registered Letter, payable to the Association. The Association will not be responsible for payments made in any other manner.



Instalment Stock.

Value of Shares at maturity, \$100. Advance payment on all classes of Instalment Stock, \$1 per share, which carries the stock until the last business day

of the following month, and entitles it to participate in profits from date of certificate. Subsequent payments on full-rate stock are 60 cents per share monthly, payable the last business day of each month, and limited to 96 instalments, and on the half rate stock, 30 cents per share monthly, limited to 144 months, after which time no further payments can be exacted, and at maturity the holder withdraws \$100 per share. The monthly payments on "Class A" stock are 30 cents per share monthly until the stock reaches maturity.

Illustration of 10 Shares as an Investment.:

96 monthly instalments		•	• •	•	•	\$10.00 576.00
Total cost Cash withdrawn at matu	rity .	• .•	• .•		•	\$586.00 1,000.00
Profit						\$414.00

Withdrawal of Instalment Stock.

Conditions of Withdrawal.

Members may withdraw instalment stock upon which twelve monthly payments of dues have been made by giving sixty days' notice, and shall receive the full amount paid

into the Loan Fund with interest at the rate of 6 per cent. per annum for the average time. If withdrawn after 2 years, stockholders shall receive the full amount paid into the Loan Fund with 8 per cent. interest added for the average time; after 3 years the stockholder shall receive the full amount paid into the Loan Fund together with one-half the profits earned; after 4 years, the full amount in the Loan Fund with two-thirds of the profits earned; after 5 years, the full amount in the Loan Fund with three-fourths of the profits earned; and after 84 months stockholders may withdraw the Full Book Value of their stock.

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Advances (Loans) on Stock.

Amount Advanced. Advances will be made on members' shares for not more than 90 per cent. of the withdrawal value of same. When money is needed it will pay the

member to ask for an advance on his certificate for a year or less, being thus enabled to keep the stock.

Illustration of an Advance of \$90.00 on a Certificate worth \$100.00 or more, for a term of Three Months:

Interest at 6 per cent. per annum for 3	
months	\$1.35
Premium at the usual bid for 3 months	1.35
Return of advance	
Total cost	\$92.70

When advances fall due they may be renewed if desired, and when applied for can be completed promptly.

Advances (Loans) on Real Estate.

Full Rate Stock.

Advances are made only to members. The borrower receives the full amount of his stock. Payments on full rate stock are 60 cents per share per

stock are 60 cents per share per month and, except interest, are limited to 96 months. If at the end of that time stock is not matured, all payments cease except interest, which continues until stock does mature, then the mortgage is canceled. Advances may be repaid any time upon 60 days' notice. Each Local Branch of over 100 instalment shares may borrow all the money paid in by its own members and its share of the surplus coming from Prepaid Stock and Branches not wanting advances.

Illustration of Cost of an Advance of \$1,000.00 on Real Estate Security at the Premium most commonly bid:

	Mon.	Mon.	Mon.	Total	•
Year.	Dues.	Int. @ 6%.	Prem.	Mon. Cost.	Yearly Cost.
ist .	. \$6.00	\$5.00	\$5.00	\$16.oo	\$192.00
2d	6.00	5.00	4.50	"15 . 50	ï 186.00
3d .	6.00	5.00	4.00	15.00	180.00
4th.	. 6.00	5.00	3.50	14.50	174.00
5th .	6.00	5.00	3.00	14.00	168.00
6th	6.00	5.00	2.50	13.50	162.00
7th	6.00	5.00	2.00	13.00	156.00
8th.	6.00	5.00	1.50	12.50	150.00
Membe	ership fe	e	• • •		10.00

Total cost of advance for 8 years . . \$1,378.00 Deduct amount advanced 1,000.00

Net cost for 8 years \$378.00

Half Rate Stock. This Association also issues half rate stock, the payments on which are 30 cents per share per month, and limited to 144 months. This stock is intended

more especially for those desiring real estate loans with a smaller monthly payment. The following table shows the cost of a loan of \$1,000.00 at the premium usually bid:

•			Mon.	Mon.	Mon.	Total	
Year.			Dues.	Int. @ 6%.	Prem.		Yearly Cost.
Ist	•	•	\$3.00	\$5.00	\$5.00	\$13,00	\$156.00
2 d	•	•	3.00	5.00	4.50	12.50	150.00
3d	•	•	3.00	5.00	4.00	12.00	144.00
4th	•	•	3.00	5.00	3.50	11.50	138.00
5th	•	•	3.00	5.00	3.00	11.00	132.00
6th	•	•	3.00	5.00	2.50	10.50	126.00
7th	•	•	3.00	5.00	2.00	10.00	120.00
8th	•	•	3.00	5.00	1.50	9.50	114.00
9th	•	•	3.00	5.00	1.00	9.00	108.00
10th	•	•	3.00	5.00	.50	8 .50	102.00
iith		•	3.00	5.00	• •	8.00	96.00
12th		•	3.00	5.00		8.00	96.00
Mem	be	er:	ship fe	e			10.00

Total cost of advance for 12 years . . \$1,492.00 Deduct amount advanced 1,000.00

Net cost for 12 years \$492.00

"Class A"
Stock.

Realizing that there is a growing demand for money at reduced monthly payments and believing that this Association has now reached a stage of

growth and financial strength that fully justifies it in meeting this demand, the Board of Directors of the Association, under the authority vested in them by its By-Laws, have authorized a new issue of stock, to be known as "Class A" Instalment Stock, and provided for the making of loans in connection therewith at a very much reduced rate of monthly payments. The monthly dues to be paid on this stock until its maturity are thirty cents per share per month. In connection with this stock the Association will make loans to borrowing members at the rate of ten dollars per month for each one thousand dollars borrowed, said rate to be made up as follows:

Dues on 10 shares at 30 cents per share . . \$3.00 Interest on \$1,000, at 6 per cent 5.00 Premium on \$1,000 2.00

Total payment, per month. \$10.00

The monthly payments on a loan based upon this stock continue at the same rate until the stock shall have matured, at which time the mortgage or deed of trust securing the loan will be released and the loan canceled on our books.

This "Class A" stock will be sold as investment stock, as well as for the purpose of basing loans thereon. It may be withdrawn at any time after one year from the date of the certificate, upon the same terms as our other issues of Instalment Stock may be withdrawn, and as fully provided for in our By-Laws, as amended January 19th, 1898. The membership fee is one dollar per share, as on our other classes of Instalment Stock.

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GENERAL REMARKS. The Washington National

IS in reality a Co-operative Savings Institution, composed of several thousand shareholders, associated together for the laudable purpose of mutual help in saving and accumulating money. It is a SAVINGS BANK thoroughly perfected, as the plan adopted *insures* Monthly Savings, and not the occasional banking of five, ten, or more dollars when urged on by some sudden impulse.

Our system of saving commends itself to all thoughtful and frugal people. All classes and conditions appreciate it-men with good salaries, and wage-earners, male or female; those also with an independent income find our stock an excellent investment.

The accumulated savings of the members, as paid monthly, are invested to the best advantage, and the borrowers return their loans in monthly payments also. Money is thus turned over several times each year, and the interest compounded, producing profits that are distributed among the shareholders.



We Have Plenty of Money

factory.

and are anxious to loan it on good security. So, in applying to this Association for loans, applicants are assured that they can get the money promptly in every case, provided the security offered is satis-



Why Pay Rent?

When, by paying this Association monthly practically the same amount that you pay your landlord, you can live in your own home and in a few years

become the absolute owner of it, free and clear of all incumbrances.



Payments.

Advance payments of dues, interest or premium on stock may be made FOR A PERIOD NOT LONGER THAN TWO YEARS, and a discount will be allowed

when six or more months' dues are paid in advance at the rate of 6 per cent. per annum for the average, or half the time, which is 3 per cent. for the whole time. Thus the discount for six months' dues on one share is . . two shares is. 0.27 ten For twelve months paid in advance the discount on one share is . . . two shares is . five ten

It should be understood that these payments must be actually in advance for six months or more, not simply six months' payments, one of which is due at the time the payment is made.

Any other sums or different lengths of time are calculated on the same basis.



Dues.

No notice of payments will Payment of be sent, but all members should Treasurer or collector the last business day of each month.

Promptness is urged and must be enforced.



Reducing Number of Shares.

A member may have shares reduced to a less number at any time after one year, by surrendering his certificate, and accepting one of same date

for the number of shares desired, and will receive credit thereon for the monthly dues paid on the previous certificate. Thus a member who has carried twenty shares for one year can get a new certificate for ten shares paid up for two years, etc.



Transferable Interest.

Members may sell and transfer their shares. The selling value consists of the total payments, including membership. fee, with the accumulated profits. A fee of \$1 will be charged for each certificate transferred.



Agents'

tary or treasurer.

Agents of this Association are not authorized to make, alter, cancel or waive contracts or Special Notice. forms; nor to change the terms or conditions of the same; nor to borrow money, contract bills or debts in the name or on the credit of this Association; nor to appraise property for this Association or its patrons; nor to state the length of time required by the Association to fill loans; nor to bind the Association in any way without special authority in writing. Agents are authorized to collect the membership fee only. All other payments must be made direct to the Home Office, or to a duly authorized secre-

Remarks.						
••••••	• • • • • • • • • • • • • • • • • • • •		• • • • • • • • • • •			
••••••		• • • • • • • • • • • • • • • • • • • •				
***************************************	•••••	••••••				
[Endorsed:] No. —. Appreal-estate advancement or leading and Loan Association—, 1—; allowed——.	oan of \$— in tation of Wash	he Washington ington, D. C.	National Received			
22	" D."					

Filed June 24, 1901.

(See pamphlet of Washington National Building and Loan of Association.)



"E." Filed June 24, 1901.

hly pay- ts—when	Mon		yment ide.	s to be	hly pay- nts—when	.00	Monthly payments received.				Total yearly payments.
Monthly ments- due.	Dues.	Int.	Prem.	Total.	Monthly ments-	rece	Dues	Int.	Prem.	Total.	Total
1898.		•			189	8.					•
October	9.00	15.00	15.00	39.00	17t]				
November.	9.00	15.00	15.00	39.00	Oct.	'99		15.00	15.00		
December	9.00	15.00	15.00	39.00	Jan.	7	9.00			39 00	÷.
1899.					66	66	9.00	15.00	15.00	39.00	
January	9.00	15.00	15.00	39.00	66	"		6.00	6.00	i	
February	9.00	15.00	15.00	39 00	Feb.	9	9.00	9.00	9.00	39.00	
March	9.00	15.00	15.00	39.00	Feb.	. 9		1.50	1.50		
April	9.00	15.00	15.00	39.00	Mar.	15	9.00	13.50	13.50	39.00	٠.
May		15.00	15.00	39.00	Apr.	11	9.00	15.00	15.00	39.00	
June	9.00	15.00	15.00	39.00	May	11	9.00	15.00	15.00	39.00	
July	9.00	15.00	15.00	39.00	June	14	9.00	15.00	15.00	39.00	
August	9.00	15.00	15.00	39.00	July	10	9.00	15.00	15.00	39.00	
Sept	9.00	15.00	15.00	39.00	Sept.	5	9.00	15.00	15.00	39.00	
October	9.00	15.00	13.50	37.50	Oct.	6	9.00	15.00	15.00	39.00	
November.	9.00	15.00	13.50	37.50	Nov.	6	9.00	15.00	15.00	39.00	
December	9.00	15.00	13.50	37.50	Dec.	8	9.00	15.00	15.00	39.00	468.00
1900.					190		•		,		
January	9.00	15.00	13.50	37.50	Jan.	8	9.00	15.00	13.50	37.50	
February	9.00	15.00	13.50	37.50	Feb.	7	9.00	15.00	13.50	37.50	
March	9.00	15.00	13.50	37.50	Mar.	17	9.00	15 00	13.50	37.50	. •
April		15.00	13.50	37.50	Apr.	16	9.00	15.00	13.50	37.50	
May	9.00	15.00	13.50	37.50	June	12	9.00	15.00	13.50	37.50	
24					July	9	9.00	15.00	13.50	37.50 ·	
•					66	23	9.00	15.00	13.50	37.50	!
1900.	.				Aug.	9	9.00	15.00	13.50	37.50	
June	9.00	15.00	13.50	37.50	Sept.	8	9.00	15.00	13.50	37.50	
July	9.00	15.00	13.50	37.50	Oct.	8	9.00	15.00	13.50	37.50	
August	9.00	15.00	13.50	37.50	Dec.	6	9.00	15.00	13.50	37.50	
Sept	9.00	15.00	13.50	37.50	46	.66	9.00	15.00	13.50	37.50	450.00
October	9.00	15.00	12.00	36.00	_ 190						
November.	9:00	15.00	12.00	36.00	Jan.	7	9.00	15.00	12.00	36.00	
-		:			Feb.	26	9.00	15.00	12.00	36.00	

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"EXHIBITS F AND G."

Filed June 24, 1901.

"F."

Washington National Building and Loan Association; home office, 1117 G street N. W., corner 12th.

Washington, D. C., March 8, 1901.

M-. Joseph H. and Bertha L. Fiske, Sligo, Md.

SIR: I herewith hand you statement of the withdrawal value of certificate No. 448, for 30 shares of instalment stock, on the 5th day May, 1901:

6 - 1212 A

Amount of dues paid loan fund	195.00 19.50
Total	214.50 3.00
	211.50
Withdrawal value the 5th day of May, 1901. J. C. STODDARD, Secrete	ary.
26 "G."	
Washington National Building and Loan Association; home 1117 G street N. W., corner of 12th.	office,
Washington, D. C., March 8, 19 M. Jos. H. and Bertha L. Fiske, Sligo, Md.	01.
SIR: The following statement will show the amount necessfully repay the advance made to you on the 1st day of Oc 1898, on certificate No. 448, 30 shares of instalment stock, viz:	tober,
Amount advanced	00.00
Notary fee	40.00
Total amount necessary for repayment on or before May 5, 1901 \$3,1	40.00
The withdrawal value of your stock (statement herewith) will then be	11.50
Which may be applied, if so desired, to your indebtedness, leaving a net balance to be paid by you of \$2,9	28.50
If payment is extended beyond above date, interest and prer will accrue and be charged at \$ 90c. per day. All loans are payable at the office of the association in the converge washington, D. C., and a proper release of the mortgage deed of trust will be delivered at said office on the pay withere of the amount due without charge to the borrower the borrower so desires, the release will be sent to the attorned agent of the association at the borrower's place of residence delivered there on the payment of the amount due in New funds. All expenses in connection with the making or paying off of	ity of ge or ment r. If ey or and York
are borne by the borrowing member, and any charge of the age	TTO OF

attorney on the payment of the loan is to be made to and paid by the borrowing member.

Respectfully,

J. C. STODDARD, Secretary.

Interest 390.00 Premium..... 366.00

\$990.00 Total am't rec'd June 19, 1901.

28

Injunction.

Filed June 25, 1901.

In the Supreme Court of the District of Columbia.

BERTHA L. FISKE ET VIR, Complainants,

THE WASHINGTON NATIONAL BUILDING AND Equity. No. 22370. Loan Association of Washington, D. C.,

Defendant. This cause coming on to be heard upon bill, rule to show cause, and answer and exhibits thereto, and same being argued and con-

sidered by the court, it is by the court, this 25 day of June, A. D. 1901, ordered that the said defendants, its agents and attorneys, be, and they are hereby, enjoined and restrained until further order of the court from foreclosing or attempting to foreclose the mortgage mentioned in said bill, the same being made by the complainants to the defendant, dated the first day of October, A. D. 1898, and duly recorded in the clerk's office of the circuit court of Montgomery county, Md., the complainants to execute the undertaking required by rule of court.

A. C. BRADLEY, Justice.

29

Reference to Auditor to Take Testimony.

Filed November 11, 1901.

In the Supreme Court of the District of Columbia.

BERTHA L. FISKE, JOSEPH H. FISKE THE WASHINGTON NATIONAL BUILDING AND Loan Association.

Equity. No. 22370,

Upon motion of the complainants, by Wolfe and Rosenberg, their solicitors, defendants present in court by their counsel, it is by the court, this 11 day of November, A. D. 1901-

Ordered that this cause be, and the same is hereby, referred to the auditor of this court to take the testimony and state the account between the parties hereto.

A. C. BRADLEY, Justice.

30

Report of Auditor.

Filed January 13, 1902.

In the Supreme Court of the District of Columbia.

BERTHA L. FISKE ET AL.

vs.

Washington National Building and Loan
Association.

No. 22370. Equity
Docket 50.

This cause is referred to me to state an account between the complainant- and the defendant association. After due notice I proceeded with the reference and return the said account stated in the schedule herewith.

In September, 1898, the complainant Bertha L. Fiske and her husband applied to the defendant for membership in the corporation in accordance with its charter and by-laws, subscribing for thirty shares of its stock of what is known as the one hundred and forty-four months' instalment plan. The application for membership was granted and a certificate for thirty shares of the said stock issued to the complainants on the 22nd of September, 1898. The monthly dues on this class of stock is thirty cents per share, twenty-five cents of which are paid into the loan fund and the other five cents appropriated to what is called the "expense fund" of the association. The by-laws of the defendant association provided for the manner in which these dues should be so distributed.

The complainants then applied to the association for a loan or advancement of three thousand dollars on the said thirty shares of stock, and in the application they recited themselves as bidding a premium of fifty cents per share on each one hundred dollars so advanced, as provided by the terms and under the rules and regulations of the association. The certificate of stock issued to the complainants has upon its reverse side an assignment by the complainants of all their right, title, and interest in and to the said shares of stock, the assignee not being named, it being practically an assignment in blank, and was delivered to the proper officer of the association.

As security for the loan applied for, the complainants offered to execute and deliver a mortgage on certain real estate located in the village of Sligo, in Montgomery county, Maryland, and such mort-

gage was executed and delivered.

The complainants made monthly payments of nine dollars under the head of dues, fifteen dollars monthly as interest under the loan, and during the first year fifteen dollars monthly styled premium. The monthly payments under the first two heads continued the same during the twenty-six months and the payments of premium were reduced to \$13.50 per month during the second year and to \$12.00 a month for the remaining time. About the 1st of May, 1901, the complainants gave the defendant association notice of their desire to repay the said advance and withdraw from the association, requesting information as to the amount necessary to be paid to discharge the said loan and procure a release of the property from the deed of trust. The association presented an account claiming the sum of \$2,928.50 as the amount due upon the said loan by an accounting stated in Exhibits F and G filed with the defendant's answer.

On the 4th of May the complainants, at the office of the defendant association, tendered the sum of \$2,477.50 as the balance of the said loan, which tender was refused, and, being

repeated again on the 6th day of May, was again refused.

The original bill of complaint was then filed, setting forth the history of the transactions, and a copy of the mortgage executed by the complainants and delivered to the defendant association to secure the repayment of the said loan is filed with the bill and marked Exhibit A.

The principal controversy as to the manner in which the account between these parties should be stated arises over the monthly payments, styled "premiums," it being contended by the complainants that these payments of premium are usurious in character, and therefore unlawful, and that they should be considered and credited as payments upon account of the loan, with interest from their several dates.

There is no law in this District authorizing building and loan associations or other like corporations to charge and collect monthly payments of premium in addition to the interest charged and paid as such when the aggregate of the two exceeds the lawful rate of interest in this jurisdiction. It is established as a matter of fact that the aggregate of the interest paid as such and of the premium during the period covered by this account exceeds the maximum rate of interest authorized by the laws of this District. In this connection it is proper to note that while in the application for membership and in the application for the loan or advance the complainants describe themselves as of the village of Sligo, in Maryland, they were

and have continued to be residents of the District of Columbia, and in addition to this fact the place of payment is located in the city of Washington, in the District of Columbia, and under the well-established rule the place of payment is to be taken as the jurisdiction, the existing law of which shall determine the question of usury.

It is contended by the defendant association that the period of repayment of the loan in this as in similar cases was at the making

of the contract entirely uncertain.

The borrowers were not required to pay back the principal, but to pay dues, interest, and premium until their shares of stock were worth their par value. Several cases decided by the court in general term in this District and from the courts of several States are cited in support of the assertion that in such condition of uncertainty as to the time of repayment the principles of usury are not applicable to such loans.

Particular stress is laid by counsel upon the case of Bedford vs. Eastern Building and Loan Association of New York, 181 U. S., 227, as being a decision by that court that where the promise to pay a sum above legal interest depends upon a contingency and not upon the happening of a certain event, the loan is not usurious.

The principal issue before the court in that case was as to the effect of a contract made by the association without having deposited an amount of money as a condition for the transaction of business in the State of Tennessee. In the opinion of the court, however, reference is made to a claim in argument that if the transactions between Bedford and the association were otherwise legal they were affected with usury, the fact being that in making a loan of \$4,000 Bedford was required to pay a fixed premium of \$460.00, receiving

only the difference, and it being claimed that this constituted 34 usury in Tennessee, the court held that the transactions between Bedford and the association were not usurious under the laws of New York, where the notes were payable, or in Tennessee, under the rule that contracts made in one place to be performed in another are to be governed by the law of the place of performance. The conditions of that case as well as of Spain vs. Brent, 1 Wallace, 604, also cited by counsel, are widely different from those of the The authorities are far from being uniform as to the present case. principles and methods which should control the accounting between building and loan associations and their borrowing stockholders, but it would seem that the usurious character of these monthly payments of premium is definitely settled by the Court of Appeals in the case of The Middle States Loan, Building and Construction Company vs. Baker, 19 Washington Law Reporter, p. 783.

I have therefore stated the account between the parties in this cause, charging the complainants with the principal amount of the loan, interest at the rate of six per cent. per annum having been paid in monthly instalments during the twenty-six months of the period. I then allow as credit so much of the payments of dues as went into the loan fund, with average interest thereon, and the payment of premium, with average interest, showing the balance which was due on the first of December, 1900, and I have also computed interest at the lawful rate from that date to the date of the tender in May, 1901.

JAS. G. PAYNE, Auditor.

Auditor's fees, \$20.00. Paid by complainants.

JAS. G. PAYNE.

35 Bertha L. Fiske and Joseph H. Fiske in account with the Washington National Building and Loan Association.

DR.

To loan October 1, 1898...... Interest paid to December, 1900, in monthly payments of \$15.00 each.

	Cr.		•	
By	payments into the loan fund of 7.50 per month from October, 1898, for			
	26 months	195.00		
	interest on same at 8 per cent. per	1.0.00		
	annum, average time	16.89	011 00	
"	payments of 15.00 monthly, styled pre-		211.89	
	mium, October, 1898, to October,			
	1899	180	•	
•-	average interest to December, 1900	11.50		
. "	payments of 13.50 monthly to October,	100.00		
	1900	162.00		•
66	interest as above	5.67		
	payments 12.00 monthly to December, 1900, inclusive	24.00		
	interest as above	12		
			383.49	
		-		\$ 595.38
	Balance due December, 1900	• • • • • • • • • •	••••••	\$2,404.62
Τ	nterest to May 5, 1901, 60.11.	. •	•	
_			VND	Anditon

JAS. G. PAYNE, Auditor.

36

FISKE WASHINGTON NAT. B'LD'G & LOAN ASS'N.

Saturday, *November* 16, 1901—10 a.m.

Hearing pursuant to notice.

Present: Messrs. Baker, Wolf, & Rosenberg for the complainant, and J. H. Ralston for the defendant.

ALEXANDER WOLF, having been first duly sworn, testifies as follows:

By Mr. Baker:

Q. You are a member of the firm of Wolf & Rosenberg? $\mathbf{Y}\mathbf{e}\mathbf{s}$, \mathbf{sir} .

Q. Did you at any time call upon the Washington National Building and Loan Association? A. Yes, sir; on May 7th, 1901, with Mr. Fiske.

- Q. What did you do? A. Mr. Fiske was with me and he had in his possession \$2,477.00 in Treasury notes and fifty cents in silver, which we tendered to Mr. J. C. Stoddard, the secretary of the association, as full payments of the amount due under a certain mortgage held by the association, being the mortgage referred to in the bill of complaint. Mr. Stoddard said he would have to decline to receive that amount, as he claimed an amount, in excess of the amount offered.
- Q. Did you have any memorandum showing how you arrived at that amount? A. I had previously sent a letter to Mr. Stoddard setting forth the amount which we claimed was due under that mortgage and that the amount claimed by him was erroneous.

Mr. Baker offers a copy of the letter in evidence, and it is agreed by counsel that this copy shall stand in place of the original.

Q. Did you receive a statement from the building association at any time? A. Mr. Fiske did.

Q. Is that the statement which I hand you? A. I only know that

is the statement brought to us by Mr. Fiske.

Q. And this other statement I hand you. A. Yes, sir. Both of these statements were brought, on one of which I figured out the amount as due at \$2,477.50. Mr. Stoddard said on that occasion there was no difference between us except as to the amount due.

Q. You tendered the amount shown on the memorandum there?

A. Yes, sir; and counted it out.

Mr. Baker offers the two papers in evidence, and they are marked Exhibits Fiske, Nov. 16, '01—1 & 2.

MAURICE D. ROSENBERG, having been first duly sworn, testifies as follows:

By Mr. Baker:

Q. You are a member of the firm of Wolf and Rosenberg? A. I am.

Q. And represent the complainant in this suit? A. Yes, sir.

Q. Did you at any time call at the office of the Washington National Building and Loan Association? A. I did. I called two days prior to the day Mr. Wolf was there, in company with a gentleman who was going to take up this loan, and there met Mr. Latimer, who said he was the assistant secretary of the company. I told him that I had called for the purpose of paying the money we owed in order to release this trust.

Q. Did you tender that money? A. Yes, sir; and he said he could not take it; that we had better call when Mr. Stod-

dard was there.

By Mr. Ralston:

Q. Can you tell when it was, what month? A. The early part of May; I think the 5th day of May, 1901.

Q. What amount did you tender? A. \$2,477.50.

BERTHA L. FISKE, having first been duly sworn, testifies as follows:

By Mr. Rosenberg:

Q. Where do you reside, and how long have you been living there? A. 905 O street; I have lived there for ten years past.

Q. Do you mean that you have uninterruptedly lived there in

that locality for the past ten years? A. Yes, sir.

Q. Did you at any time reside anywheres else? A. No.

Q. On the 1st day of October, 1898, where did you reside? A.

At 905 O street, in this city.

- Q. Did you at any time execute a deed in favor of the Washington National Building and Loan Association of Washington, D. C.? A. Yes, sir.
- Mr. Baker offers in evidence a certain deed dated October 1st, 1898, between Bertha L. Fiske and Joseph H. Fiske, her husband,

of Montgomery county, Maryland, and the Washington National Building and Loan Association of Washington, D. C., the same being recorded in Liber T. D. No. 5, folios 289 et sea.. on the land record books of said Montgomery county, the said

et seq., on the land record books of said Montgomery county, the said certified copy being attached to the bill of complaint as Exhibit A.

Q. Will you please state the circumstances under which you made this loan from this association? A. I went to the Washington National Building & Loan Association, at the corner of 12th & G streets, in this city, to borrow this money which I obtained from them, and at the time the question I asked Mr. Latimer and Mr. Stoddard if at any time I would want to draw out would I be privileged to do so, and that they both said I could do.

Q. Did you sign any other papers? A. I signed an application which they laid before the board, and thereupon they gave me the

money.

Q. Is this account book which I hand you the book which was used for the purpose of entering the payments as made by you? A. Yes, sir.

Q. Were these payments made by you to the company from time to time? A. Yes, sir.

Q. Were these payments made before or after the loan was obtained? A. After.

Mr. Rosenberg offers in evidence the pass book marked Exhibit Fiske Nov. 16, '01—3.

Q. Who was the owner of the property in Maryland upon which this loan was made? A. We did.

Cross-examination.

By Mr. RALSTON:

Q. Where did you describe yourself in the mortgage as residing in Montgomery county? A. I never did represent myself as living there.

7 - 1212 A

Q. The mortgage produced by your counsel says your home is in Montgomery county? A. I can prove that I have lived at 905 O street for the past ten years.

Q. Have you ever lived in Sligo, Maryland? A. No, sir.

Q. Has your husband ever lived there? A. No, sir.

Q. When you signed this application didn't you describe yourself in the certificate of stock as living in Sligo? A. I did not. Q. Suppose that you are mistaken? A. I could not say that I

Q. Suppose that you are mistaken? A. I could not say that I ever lived at Sligo, as I can produce people to say that I have always lived here.

Q. You described yourself in the certificate as living at Sligo? A. If I am not mistaken, Mr. Latimer handed me that slip as I was going out and asked me to sign this slip, and that it would not make any difference.

Q. Where did you sign this application for stock? A. At their

office, the corner of 12th and G streets.

Q. Was that the first time that you had anything to do with the association? A. No, sir; I had dealings with them once before.

Q. But it was the first time in connection with this loan? A. Yes, sir.

Q. I notice in the stock certificate issued to you, you are described as living in Sligo. Why was that? A. I don't know anything about that

thing about that.

Q. That is your signature, is it not (hands witness stock certifi-

cate)? A. Yes, sir.

By Mr. Baker:

Q. Where did you sign the mortgage? A. At their office.

Q. Where did you make these payments? A. At their office.

Q. Did they ever call at your house? A. No, sir.

Joseph H. Fiske, having first been duly sworn, testifies as follows:

By Mr. BAKER:

The testimony is allowed to be taken subject to the objection. Mr. Ralston objects to the witness testifying.

Q. Where do you reside? A. 905 O street, in this city.

Q. You are one of the complainants in this suit and a grantor in this mortgage? A. Yes, sir.

Q. How long have you lived at 905 O street? A. Ten years.

Q. Have you ever lived at Sligo? A. No, sir.

Q. In the application for loan and mortgage you and your wife are described as living in Sligo. A. That is only from the fact that the property is located at Sligo. I never lived in Sligo and could not represent myself as living there.

Q. Did you have anything to do with obtaining the loan? A.

Yes, sir; I told my wife where we could go, as I had been informed that in the District they did not loan money on county property.

Q. Did you sign the application for a loan? A. I think so. Q. And they gave you a book? A. Yes, sir.

Q. Who made these payments? A. Mrs. Fiske. Q. With whose money were they made? A. Our money.

Q. What business are you in? A. Agent for the Standard Sewing Machine Company.

Q. You didn't write the mortgage? A. No, sir. Q. You didn't have anything to do with the application? A.

No, sir.

Q. State the circumstances under which the loan was obtained and how you and your wife happened to go into the association?

Mr. Ralston objects, and the objection is sustained.

Q. In this certificate, issued to Joseph H. and Bertha L. Fiske, you are the Joseph H. Fiske named therein? A. Yes, sir.

Q. That is your signature on the certificate? A. Yes, sir.

J. C. Stoddard, having first been duly sworn, testifies as 43 follows:

By Mr. RALSTON:

Q. In connection with the becoming a member of the Washington National Building and Loan Association, what is the first step an applicant takes? A. Signs the application for stock.

Q. I call your attention to Exhibit A and ask if that is the form

signed. A. It is.

Q. Is the Exhibit A now shown to you a correct copy of the application for membership of Joseph H. and Bertha L. Fiske? A. It is.

Q. The certificate refers to thirty shares of one hundred and fortyfour months' instalment stock. Can you state whether at the time that application was signed the applicants were given a circular showing the plan of that stock and how it worked out? A. One of these circulars was given to her.

Q. I show you Exhibit D to the answer, calling your attention particularly to page 8, and ask you if that was the certificate that was handed to her at the time? A. It is.

Mr. Ralston offers Exhibit D, attached to the answer, in evidence.

Q. Upon an application for a loan being made, is the applicant

required to sign a formal application? A. Yes, sir. Q. I call your attention now to the original of Exhibit C to the answer and ask you whether this original was signed by the complainants in this case. A. That I cannot answer of my 44 own knowledge.

Q. You did not see them sign it? A. No, sir; I do not think so.

Q. Do you find that among the papers? A. Yes, sir. I brought that from the office.

Mr. Ralston offers this paper in evidence and asks that it be marked Exhibit Nov. 16, '01, A.

- Q. I see that this application for a loan refers to the procurement of an advancement on the one hundred and forty-four months' plan. Is that the plan set forth in the exhibit which has already been filed—Exhibit D? A. Yes, sir.
- Q. Is there any other one hundred and forty-four months' plan except that referred to in Exhibit D? A. No.

Q. As I understand, the proposed application for a loan was ap-

proved and the loan granted by the association? A. It was.

Q. Upon the granting of that loan what was the bidder required to do in the way of assignment of stock? A. He assigned his certificate of stock to the association.

Q. I will ask you whether the certificate which I now asked to be marked Exhibit Nov. 16, '01, B, is the certificate granted in this A. It is.

Q. And was that certificate assigned back to the association as security for its loan? A. Yes, sir.

Mr. Ralston offers the certificate in evidence.

Q. Were the payments provided for under the one hundred and forty-four months' plan maintained by the appli-A. Up to a certain point; yes, sir.

- Q. I call your attention to Exhibit E filed with the answer, and ask you whether this is a correct statement of the payments made by the applicants. A. It is presumably a correct abstract from the book.
- Q. Have you figured out what would be paid by the bidders under their contract in this case if their contract were carried out by them faithfully to the time of its completion, the period of one .hundred and forty-four months?

Mr. Baker objects, and the objection is sustained.

Cross-examination.

By Mr. Baker:

- Q. You say this paper was shown and explained to Mrs. Fiske? A. Yes, sir.

Q. You know that of your own personal knowledge? A. Yes, sir.

Q. Was anything done except to hand her this paper and she sign it? A. She had been in the office previously.

Q. Now on the last loan was any paper shown to her other than this one? A. I think so.

BERTHA L. FISKE, having been recalled for further examination, testifies as follows:

By Mr. BAKER:

- Q. When you went in about this loan of three thousand dollars and when you signed these papers was this paper shown to you, Exhibit D? A. Not this last time; no, sir. That was the first loan we had.
 - Q. How long ago was that? A. I cannot tell exactly.

Q. I show you this pass book. See if you can refer to when that was given you. A. This was the first loan, in 1896.

Q. And it was then you were shown a pamphlet like this? A.

 ${
m Yes.\ sir.}$

- Q. And the second time you were not shown the pamphlet? A. No, sir.
- J. C. Stoddard, having been recalled for further examination, testifies as follows:

By Mr. Ralston:

- Q. When were these pamphlets, such as marked Exhibit D, gotten out? A. This was gotten out between the 15th of January and the 1st of February, 1898.
- Q. So that you could not then have shown to Mrs. Fiske that pamphlet in connection with the loan? A. No, sir.
- 47 Mr. Baker objects to the question and answer.

BERTHA L. FISKE, having been recalled for further examination, testifies as follows:

By Mr. Baker:

Q. Look at that paper and state if it is a copy of the paper shown to you in 1896. A. It certainly looked like that. It was that same form of paper.

Counsel for both sides announce their case as closed and the hearing is adjourned to Saturday, November 23d, 1901, at 10 o'clock a.m., for argument.

Motion for Reference to Auditor.

Filed January 25, 1902.

In the Supreme Court of the District of Columbia.

BERTHA S. FISKE ET AL.

vs.

Washington National Building and Loan Association et al.

Number 22370, Equity Docket.

Now come the defendants, by Ralston & Siddons, their solicitors, and move the court for an order re-referring this cause to the auditor

for a restatement of the account herein, and for cause say that the hearings before the auditor took place during the months of November and December, A. D. 1901; that at that time the 48 auditor felt compelled to state the account according to his understanding of the effect of the recent decision of the Court of Appeals; that since any of the hearings before the auditor a new Code has gone into effect in the District of Columbia, the effect of section 692 of which is to legalize the taking of premium as taken in this case, even if it were not theretofore legal; that it was impossible to suggest this as a ground for the auditor's consideration, for the reason that no hearing has been had before him since the Code went into effect, and his statement was of necessity based upon the law as he believed it to exist at the time of said hearings; that in order that the record may fully show that the point was raised be-

> RALSTON & SIDDONS. Defendants' Solicitors.

Messrs. D. W. Baker and Wolf & Rosenberg, complainants' solicitors:

fore him at a time when it was proper to be so raised, this cause

should be re-referred by an order of this honorable court.

You will please take notice that on Saturday, January 25th, at the opening of court, or as soon thereafter as the same can be heard, before Mr. Justice Bradley, in equity court No. 2, we will call up the foregoing motion.

RALSTON & SIDDONS, Defendants' Solicitors.

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Exceptions to Auditor's Report.

Filed February 11, 1902.

In the Supreme Court of the District of Columbia.

BERTHA S. FISKE ET AL.

WASHINGTON NATIONAL BUILDING AND LOAN Equity. No. 22370. Association et al.

Now come the defendants, by Ralston & Siddons, their solicitors, and (not waiving but insisting upon motion to recommit to auditor) filed herein) except to the auditor's report filed herein on the thirteenth day of January, A. D. 1902, and for cause say:

1. Said auditor's report is erroneous in that it credits as against the principal and interest of the complainants' account the various sums paid by the complainants or either of them by way of premium.

2. Said auditor's report is erroneous in that it only allows defendants six per centum upon the money advanced by them to the complainants, instead of allowing premium in addition to said interest.

3. Said auditor's report is erroneous in that it treats the monthly payment of premium in addition to interest as usurious, notwithstanding the fact that complainants remained members of defendant association after the making of said loan, were entitled to participate in the profits, and the period for which said loan would run was so

uncertain that usury could not be predicated upon it.

4. Said auditor's report is now erroneous in that the code now in force in the District of Columbia, and which has been in force since the first day of January, 1902, permits a monthly payment of premium which may be bid for a loan to an indefinite amount, and declares that it shall not be deemed usurious, and may be paid in addition to legal interest on the sum advanced as the bylaws may prescribe, said premium in this case having been bid and paid in conformity with the by-laws of defendant association, and this code operating upon contracts made prior to its existence, as well as those of subsequent date, the héarings before the auditor, however, having taken place before the code became operative.

RALSTON & SIDDONS,

Defendants' Solicitors.

Order Overruling Motion to Recommit.

Filed March 10, 1902.

In the Supreme Court of the District of Columbia.

BERTHA L. FISKE ET AL.

vs.

Washington National Building and Loan
Association.

Equity. No. 22370.

This cause coming on to be heard upon the motion to recommit the auditor's report to the auditor, so that the question of the influence of the code upon the statement of the account may be duly raised before him, and the court being of opinion that any

point in connection therewith can be presented in open court, and upon exceptions to the auditor's report, without such recommittal, it is, this 10th day of March, A. D. 1902,

Ordered that the said motion be, and the same is hereby, overruled.

A. C. BRADLEY, Justice.

Decree.

Filed March 10, 1902.

In the Supreme Court of the District of Columbia.

 $\left. \begin{array}{c} \text{Bertha L. Fiske et al.} \\ \textit{vs.} \\ \text{Washington National Building and Loan} \\ \text{Association.} \end{array} \right\} \text{Equity.} \quad \text{No. 22370.}$

This cause coming on to be heard upon pleadings, preliminary injunction, proceedings had before and the report made by the auditor, and exceptions filed to the said auditor's report, and the same having been argued by counsel, it is this 10th day of March, A. D. 1902,

Adjudged, ordered, and decreed that the said exceptions to the auditor's report be, and the same are hereby, overruled, and the said report is hereby finally ratified and confirmed; and it is further

Adjudged, ordered, and decreed that upon the payment, within twenty days after this date, by the complainants to the defendant of

the sum of twenty-four hundred and sixty-four and 173 (2,464.73) dollars, the same being the amount found to be due in accordance with said auditor's report, as therein prescribed, and proper tender thereof being made, that the preliminary injunction heretofore granted in said cause be, and the same is

hereby, made final; and it is further

Adjudged, ordered, and decreed that — the payment by the complainants to the defendant, as aforesaid, the said Washington National Building and Loan Association, the defendant in said cause, be, and is hereby, ordered to discharge and release the mortgage made by the said complainants to the said defendant company, covering the real estate described in the said bill of complaint filed in said cause, the complainants paying the cost of such release, and that the defendant pay the costs of this suit.

A. C. BRADLEY, Justice.

And now, on this 10th day of March, A. D. 1902, in open court, the said defendant, by Ralston and Siddons, its counsel, prays an appeal to the Court of Appeals of the District of Columbia, which appeal is hereby allowed, and the penalty of an appeal bond, the same to act as a supersedeas, is fixed at five hundred (500) dollars.

A. C. BRADLEY, Justice.

Memorandum.

March 18, 1902.—Appeal bond filed.

Stipulation.

Filed April 16, 1902.

In the Supreme Court of the District of Columbia.

BERTHA L. FISKE ET AL. Washington National Building and Loan Association.

Equity. No. 22370.

It is hereby stipulated by and between the solicitors for the complainants and the defendant herein that the record on appeal from the decree heretofore passed shall consist of the following papers and

1. Bill of complaint and exhibits (it being understood, however, that the by-laws and prospectuses of the defendant association are not to be printed, but that the printed copies issued by said association may be referred to upon the hearing, the defendant's solicitors furnishing the same).

2. Answer and exhibits, with the same understanding as before

mentioned.

2½. Preliminary injunction.
3. Reference to auditor.

4. Report of auditor, schedules, testimony and exhibits, except advertisement of sale; original sale of stock, copy of letter to defendant association from complainants' counsel, and statements dated March 8, 1901.

5. Motion to re-refer.

6. Exceptions to auditor's report. 54

7. Order overruling motion to recommit.

8. Decree.

WOLF & ROSENBERG, Complainants' Solicitors. RALSTON & SIDDONS, Defendant's Solicitors.

United States of America, District of Columbia, } ss: **55**

Supreme Court of the District of Columbia.

I, John R. Young, clerk of the supreme court of the District of Columbia, hereby certify the foregoing pages, numbered from 1 to 54, inclusive, to be a true and correct transcript of the record, as per stipulation of counsel herein filed, copy of which is made part of this transcript, in cause No. 22370, equity, wherein Bertha L. Fiske and Joseph H. Fiske, her husband, are complainants and The Washington National Building and Loan Association of Washing-8-1212A

ton, D. C., is defendant, as the same remains upon the files and of record in said court.

Seal Supreme Court of the District of Columbia. In testimony whereof I hereunto subscribe my name and affix the seal of said court, at the city of Washington, in said District, this 25th day of April, A. D. 1902.

JOHN R. YOUNG, Clerk.

Endorsed on cover: District of Columbia supreme court. No. 1212. The Washington National Building and Loan Association of Washington, D. C. (a body corporate), appellant, vs. Bertha L. Fiske et al. Court of Appeals, District of Columbia. Filed Apr. 26, 1902. Robert Willett, clerk.

